

**Original**

Unity Psychiatric Services Clarksville, LLC

**CN1801-005**

**Christopher C. Puri**

Counsel  
cpuri@bradley.com  
615.252.4643 direct

**Bradley**

January 16, 2018

**VIA HAND DELIVERY**

Mr. Mark Farber  
Tennessee Health Services and Development Agency  
500 Deaderick Street, 9<sup>th</sup> Floor  
Nashville, Tennessee 37243

Re: Certificate of Need Unity Psychiatric Services Clarksville, LLC

Dear Mark:


Please find attached a completed Application for Certificate of Unity Psychiatric Services Clarksville, LLC, requesting approval to establish a forty-eight (48) bed mental health hospital for adult patients as outlined in the attached application.

As we have discussed by phone and email, we filed a draft application on January 11, 2018 per the agency's instructions. That application was filed early because of the impending closure of state offices Friday, and then the planned holiday closure yesterday. The draft application was filed so as to establish a timely filing within the January review cycle, and. We would therefore ask that the attached application serve as the initial starting point of the application for review. The submission that was filed on January 11, 2018 was not intended to serve as the Applicant's final application.

Should you have any questions or need anything further, please do not hesitate to contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:   
Christopher C. Puri

CCP/ced  
Enclosure

20845884845-8304-6234.1  
107086-013



# State of Tennessee

## Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243  
 www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

### CERTIFICATE OF NEED APPLICATION

#### SECTION A: APPLICANT PROFILE

##### 1. Name of Facility, Agency, or Institution

Unity Psychiatric Services Clarksville, LLC

Name

930 Professional Park Drive

Street or Route

Clarksville

City

TN

State

Montgomery

County

37040

Zip Code

Website address: n/a

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

##### 2. Contact Person Available for Responses to Questions

Christopher C. Puri

Name

Attorney

Title

Bradley Arant Boult Cummings LLP

Company Name

cpuri@bradley.com

Email address

1600 Division Street, STE 700

Street or Route

Nashville

City

TN

State

37203

Zip Code

Attorney for Project

615-252-4643

615-252-4706

Association with Owner

Phone Number

Fax Number

**NOTE:** **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on **8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response.** All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

### 3. **SECTION A: EXECUTIVE SUMMARY**

#### **A. Overview**

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;
- 2) Ownership structure;
- 3) Service area;
- 4) Existing similar service providers;
- 5) Project cost;
- 6) Funding;
- 7) Financial Feasibility including when the proposal will realize a positive financial margin; and
- 8) Staffing.

#### **B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

- 1) Need;
- 2) Economic Feasibility;
- 3) Appropriate Quality Standards; and
- 4) Orderly Development to adequate and effective health care.

#### **C. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.



**4. SECTION A: PROJECT DETAILS****Owner of the Facility, Agency or Institution**

A. American Health Companies, Inc.		731-847-6343
Name 1971 Tennessee Avenue N		Phone Number Decatur
Street or Route Parsons	TN	County 38363-5094
City	State	Zip Code

**B. Type of Ownership of Control (Check One)**

A. Sole Proprietorship	_____	F. Government (State of TN or Political Subdivision)	_____
B. Partnership	_____	G. Joint Venture	_____
C. Limited Partnership	_____	H. Limited Liability Company	XXX
D. Corporation (For Profit)	_____	I. Other (Specify)	_____
E. Corporation (Not-for-Profit)	_____		_____

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. **Attachment Section A-4A.**

**Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

**5. Name of Management/Operating Entity (If Applicable)**

Tennessee Health Management, Inc.		
Name 1971 Tennessee Avenue N		Decatur
Street or Route Parsons	TN	County 38363-5094
City	State	Zip Code
Website address: <a href="http://www.thmgt.com/">http://www.thmgt.com/</a>		

**For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. Attachment Section A-5.**

**6A. Legal Interest in the Site of the Institution (Check One)**

- |                         |       |                    |            |
|-------------------------|-------|--------------------|------------|
| A. Ownership            | _____ | D. Option to Lease | <u>XXX</u> |
| B. Option to Purchase   | _____ | E. Other (Specify) | _____      |
| C. Lease of _____ Years | _____ |                    |            |

**Check appropriate line above:** For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site** on an 8 1/2" x 11" sheet of white paper, single or double-sided. **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

- 1) Plot Plan **must include**:
  - a. Size of site (***in acres***);
  - b. Location of structure on the site;
  - c. Location of the proposed construction/renovation; and
  - d. Names of streets, roads or highway that cross or border the site.
- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 1/2 by 11 sheet of paper or as many as necessary to illustrate the floor plan.
- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

**Attachment Section A-6A, 6B-1 a-d, 6B-2, 6B-3.**

**7. Type of Institution (Check as appropriate--more than one response may apply)**

- |  |   |
|--|---|
| A. Hospital (Specify) _____  | H. Nursing Home _____   |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____        | I. Outpatient Diagnostic Center _____                           |
| C. ASTC, Single Specialty _____  | J. Rehabilitation Facility _____                                |
| D. Home Health Agency _____  | K. Residential Hospice _____                                    |
| E. Hospice _____   | L. Nonresidential Substitution-Based Treatment Center for _____ |
| F. Mental Health Hospital <u>XXX</u>   | Opiate Addiction _____  |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID _____ | M. Other (Specify) _____  |

Check appropriate lines(s).

**8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)**

- |  |   |
|--|---|
| A. New Institution <u>XXX</u>  | F. Change in Bed Complement _____   |
| B. Modifying an ASTC with limitation still required per CON _____              | [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] |
| C. Addition of MRI Unit _____  | G. Satellite Emergency Dept. _____  |
| D. Pediatric MRI _____   | H. Change of Location _____   |
| E. Initiation of Health Care Service as defined in T.C.A. §68-11-1607(4) _____ | I. Other (Specify) _____  |
| (Specify) _____  |   |

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts [Check all that apply]

XX AmeriGroup XX United Healthcare Community Plan XX BlueCare XX TennCare SelectMedicare Provider Number Applicant will apply once approved and constructedMedicaid Provider Number Applicant will apply once approved and constructedCertification Type psychiatric hospitals

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare X Yes \_\_\_ No \_\_\_ N/A      Medicaid/TennCare X Yes \_\_\_ No \_\_\_ N/A

**10. Bed Complement Data****A. Please indicate current and proposed distribution and certification of facility beds.**

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical						
2) Surgical						
3) ICU/CCU						
4) Obstetrical						
5) NICU						
6) Pediatric						
7) Adult Psychiatric	<u>0</u>	<u>0</u>	<u>48</u>	<u>0</u>	<u>0</u>	<u>48</u>
8) Geriatric Psychiatric						
9) Child/Adolescent Psychiatric						
10) Rehabilitation						
11) Adult Chemical Dependency						
12) Child/Adolescent Chemical Dependency						
13) Long-Term Care Hospital						
14) Swing Beds						
15) Nursing Home – SNF (Medicare only)						
16) Nursing Home – NF (Medicaid only)						
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)						
18) Nursing Home – Licensed (non-certified)						
19) ICF/IID						
20) Residential Hospice						
<b>TOTAL</b>	<u>0</u>	<u>0</u>	<u>48</u>	<u>0</u>	<u>0</u>	<u>48</u>

*\*Beds approved but not yet in service**\*\*Beds exempted under 10% per 3 year provision***B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services. Attachment Section A-10.****C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.**

<u>CON Number(s)</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
<u>None</u>		

**11. Home Health Care Organizations** – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Mauzy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**Response: Not Applicable**

## 12. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage						
					Renovated	New	Total				
Patient Unit "1"						11,857	11,857				
Patient Unit "2"						11,857	11,857				
Support Areas						2,834	2,834				
Mech./Elec.						1,195	1,195				
Unit/Department GSF Sub-Total						27,743	27,743				
Other GSF Total											
Total GSF						27,743	27,743				
*Total Cost						\$9,146,761	\$9,146,761				
**Cost Per Square Foot						\$329.70	\$329.70				
<p>Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on <a href="http://www.tn.gov/hsda">www.tn.gov/hsda</a> )</p>					<input type="checkbox"/> Below 1 <sup>st</sup> Quartile	<input type="checkbox"/> Below 1 <sup>st</sup> Quartile	<input type="checkbox"/> Below 1 <sup>st</sup> Quartile				
					<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile	<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile	<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile				
					<input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	<input checked="" type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	<input checked="" type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile				
					<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile				

\* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

\*\* Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

**13. MRI, PET, and/or Linear Accelerator****Response: Not Applicable**

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev _____	Types:	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____
	Total Cost*: _____	<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished	<input type="checkbox"/> If not new, how old? (yrs) _____	
<input type="checkbox"/> MRI	Tesla: _____	Magnet:	<input type="checkbox"/> Breast <input type="checkbox"/> Extremity <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other _____
	Total Cost*: _____	<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished	<input type="checkbox"/> If not new, how old? (yrs) _____	
<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI	<input type="checkbox"/> By Purchase	<input type="checkbox"/> By Lease Expected Useful Life (yrs) _____
	Total Cost*: _____	<input type="checkbox"/> If not new, how old? (yrs) _____	
	<input type="checkbox"/> New <input type="checkbox"/> Refurbished		

\* As defined by Agency Rule 0720-9-.01(13)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.
- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.
- D. Schedule of Operations:

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
Fixed Site (Applicant)	_____	_____
Mobile Locations (Applicant)	_____	_____
(Name of Other Location)	_____	_____
(Name of Other Location)	_____	_____

- E. Identify the clinical applications to be provided that apply to the project.
- F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

## Attachment Section A-3-A: Executive Summary

### RESPONSE:

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;

Unity Psychiatric Services Clarksville, LLC (a proposed mental health hospital) is filing this application to establish a mental health hospital to serve adult psychiatric patients between the ages of 18 and 64. The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 48-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements. There are no outstanding but unimplemented certificates of need held by the Applicant.

The proposed facility will be located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County. The project will be located on a portion of a 3.15 acre parcel identified at as Parcel ID 040G A 002.00 000 in the property records of Montgomery County.

- 2) Ownership structure;

The Applicant is a Tennessee limited liability company and is wholly owned by American Health Centers, Inc., (AHC), a Tennessee based corporation. An organizational chart of the Applicant's current ownership is in Attachment Section A-4A. If approved, the Applicant will enter into a management agreement with Tennessee Health Management, Inc. (THM) (a Tennessee corporation). THM currently manages five (5) geropsychiatric hospitals located in Huntsville, AL and Columbia, Martin, Memphis, and Clarksville (Tennessee); it has successfully operated these facilities so for several years. THM is the manager of the geriatric psychiatric hospital which is located adjacent to the planned site for the new hospital.

- 3) Service area;

The proposed facility will be in Clarksville, Tennessee centrally located within Montgomery County, and will be within the center of the medical services hub of the county. There are no adult psychiatric beds in Montgomery or adjacent counties. Therefore, the Applicant anticipates the primary service area will be the four county area of Montgomery, Houston, Stewart, and Humphreys. The Applicant anticipates that there will be some additional admissions originating from a secondary service area made up of parts of Dickson and Henry counties, as well as some parts of Kentucky adjoining Montgomery County.

When the population-based estimate of the total need for psychiatric inpatient services (30 beds per 100,000 general population) are applied to the population estimates of the four county primary service area, the projected need for adult inpatient psychiatric beds is 48 beds in the within the first two years of opening of the project (please see the State Health Plan for a chart of the need calculations). When population from the secondary service area Tennessee counties is included, the need is calculated at 63 adult psychiatric beds. It is also notable that the need in Montgomery County continues to increase in successive years. Therefore, the existing need would far exceed the projected need for adult inpatient psychiatric beds in the service area. The overwhelming majority of the population intended to be served will have a travel time under 60 minutes to the proposed facility.

- 4) Existing similar service providers;



There are no existing adult inpatient psychiatric beds in the four counties of the primary service area. Henry County Medical Center, located in Paris, TN is licensed for a 22 bed unit, providing psychiatric services to adult and geriatric patients. However, that hospital is located approximately 70-90 miles away and 75 to 100 minutes driving time, depending on the route. Therefore, those beds are not readily accessible for the vast majority of the population of the Applicant's proposed service area. There are other adult psychiatric beds located in Davidson County with are outside of the service area of the Applicant.

5) Project cost and Funding

The estimated project cost is \$12,746,500.00. The estimated project construction costs and cost per square foot are consistent with HSDA averages for previously approved hospital projects. The full project cost will be funded by cash reserves available to the Applicant.

6) Financial Feasibility including when the proposal will realize a positive financial margin; and

The proposed hospital has been well planned by the Applicant and based on the conservative projections in the Projected Data Chart, the project will operate with a positive financial margin from its second year of operation onward (2021). The project will show a net income of \$897,142.00 in the second year, and \$1,460,779.00 of free cash flow.

7) Staffing.

Because the proposed hospital will be located adjacent to the existing and operational geriatric hospital, the Applicant does not anticipate any problems with recruiting sufficient staff. Projected salaries for employees are consistent or above statewide medians. Additionally, the Applicant has identified a psychiatrist (Dr. Karen Berry) who will serve as medical director of the proposed facility, and is currently serving with American Health Centers in the capacity as a corporate medical director to the existing behavioral health centers.

## **Attachment Section A-3-B.**

### **B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

### **RESPONSE:**

1) Need;

The proposed hospital is needed to adequately and appropriately serve the adult 18-64 population of Montgomery, Houston, Stewart, and Humphreys counties as the primary service area. The project is needed to provide reasonable accessibility to acute inpatient mental services. The proposed facility will reduce the travel time for patients in the proposed service area. The proposed site is located centrally to the proposed population. Placing a mental health hospital within the service area also assures that appropriate post-discharge care will be reasonably accessible to these ages of patients for the first time. The Applicant also anticipates admissions from a secondary service area of Henry and Dickson counties in Tennessee and from the border counties to the north and west in Kentucky.

The need for the project is supported by the State Health Plan. When the population-based guideline of the total need for psychiatric inpatient services of 30 beds per 100,000 general population is applied to the population estimates of the four county service area, the projected need for adult inpatient psychiatric beds is currently 46 beds in 2018; this need then rises to 48 beds in the projected second year of the project. When population from the secondary service area Tennessee counties is included, the need is calculated at 63 adult psychiatric beds. It is also notable that the need in Montgomery County continues to increase in successive years. Therefore, the existing need would far exceed the projected need for adult inpatient psychiatric beds in the service area. The overwhelming majority of the population intended to be served will have a travel time of less than 60 minutes to the proposed facility.

## 2) Economic Feasibility;

The project will be funded from cash reserves available for the project and available to the Applicant. The project is projected to be financially successful early in its second year. As outlined within the financial and other projections in the application, the project meets the criteria of being economically feasible.

## 3) Appropriate Quality Standards; and

The proposed hospital will meet and report outcomes on quality standards are requested by the HSDA and other agencies. The Applicant's proposed manager has experience in operating behavioral health hospitals and doing so successfully to provide quality patient care. The Applicant will also meet appropriate quality standards. Once licensed, it will seek Joint Commission Accreditation and will engage in ongoing quality oversight and improvement programs as described in Section C of the applications.

## 4) Orderly Development to adequate and effective health care.

The proposed hospital fosters the orderly development of health care because it provides needed services in an area where there is currently need and no existing adult psychiatric beds. The hospital will aide in ensuring that acute care hospitals' Emergency Departments (ED) are not used as a primary resource for the treatment of acute mental health issues, and will aide in reducing any delay in getting appropriate treatment. This problem exists in Montgomery County, as evidenced by the hospital's need to create psychiatric holding space within its emergency department (as discussed in more detail in the responses to the State Health Plan). The hospital will also accept involuntary admissions and will participate in TennCare and Tricare, which will allow it to help serve a needy and medically underserved group of patients. The hospital has support of providers in the area, and will work closely with the hospital located just across the street to ensure good patient outcomes.

As noted in various places in the application, there are no currently available beds in the proposed service area counties. While there are inpatient psychiatric facilities in adjacent counties, the project is needed and provides for the orderly development of health care by placing services where they are needed and within a reasonably accessible time for the patients with these conditions. Patients currently have a drive time to another facility (mainly in the greater Nashville) area that can range from one hour to even longer for counties west of the proposed location of the hospital. The project will reduce those drive times significantly and keep the patients closer to their communities, closer to complimentary acute care services, and closer to specialty medical care service providers that are needed in some instances.

The proposed project also meets the orderly development of health care criteria. It does so because it will serve (and increase the services for) military and veteran populations who are located in Montgomery County. It is also order because with no crisis services unit nearby, the hospital will fill an important gap in mental health services that currently exists.

#### **Attachment Section A-4.**

**RESPONSE:** A copy of the certificate of existence for Applicant is attached as Attachment Section A-4. Also attached as Attachment Section A-4 are certificates of existence for American Health Centers, Inc. and the management company, Tennessee Health Management, Inc.

***Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.*

**RESPONSE:** The Applicant for the proposed hospital will be Unity Psychiatric Services Clarksville, LLC, a Tennessee based limited liability company. The Applicant is wholly owned by American Health Companies, Inc. (AHC), a Tennessee corporation. AHC is owned by its employee through an employee stock ownership plan (ESOP), which is an employee-owner program that provides a company's workforce with an ownership interest in the company. A diagram of the organizational chart and ownership is included at Attachment A-4 (Part 3) - Ownership Organizational Chart

#### **Attachment Section A-5.**

**RESPONSE:** The Applicant's facility will be managed by a management company Tennessee Health Management, Inc. (THM). THM an affiliate of AHC. While a definitive management agreement has not yet been executed, a draft of the proposed management agreement between the Applicant and the management company is attached as Attachment Section A-5.

#### **Attachment Section A-6A**

**RESPONSE:** The land where the proposed facility will be held is owned by Clarksville Behavioral Facility Inc. Clarksville Behavioral Facility Inc. is a wholly owned by American Health Companies, Inc. (AHC). AHC will be the sole owner of the Applicant at the time of the application.

#### **Attachment Section 6B-1a-d**

**RESPONSE:** Included in Attachment Section 6B-1a-d is the plot plan for the project, located at 930 Professional Park Drive, Clarksville, TN 37040. The size of the campus is 3.15 acres. The proposed facility will be located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County. The project will be located on a portion of a 3.15 acre parcel identified at as Parcel ID 040G A 002.00 000 in the property records of Montgomery County.

#### **Attachment Section 6B-2**

**RESPONSE:** A floor plan for the project is provided in Attachment Section A-6B-2.

#### **Attachment Section 6B-3**

**RESPONSE:** The proposed hospital will be conveniently located with access to major roads and highways. The campus on which the current geropsychiatric hospital and the proposed new adult psychiatric hospital are located is directly across Dunlap Road from the Tennova hospital campus. BHC-C is located approximately 2.1 miles from the I-24 interchange and State Route #79 (Wilma Rudolph Boulevard). It is approximately 6 miles from Routes #76, and 41, which intersect in Clarksville and are major transit roads for Montgomery County.

The Facility is located about 30 minutes (29 miles) from Hopkinsville, KY via I-24 and I-169. The project is accessible to public transportation routes – the City of Clarksville public transportation has a bus stop located on Dunlap Road approximately at the site of the entry road to the proposed hospital site.

**Attachment Section A-10-B**

**RESPONSE:** Not applicable. The proposed CON is for a new facility.

**Attachment Section A-10-C**

**RESPONSE:** Not applicable. The Applicant does not have any outstanding CONs.

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. **If a question does not apply to your project, indicate "Not Applicable (NA)."**

### **QUESTIONS**

#### **SECTION B: NEED**

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

**RESPONSE:** Responses to the State Health Plan at provided at Attachment Section B: Need - A.

- B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

**RESPONSE:** AHC and THM have for several years operated four (4) mental health hospitals in Tennessee and one in Alabama focused on geropsychiatric care. The extension into adult psychiatric care is a natural development of both AHC and THM's business plans. The proposed hospital is also a natural extension of the existing geropsychiatric services at the site in Clarksville. AHC has been a provider of long term care services for over 30 years. The extension of the business of the company into mental health, first in geriatrics and now in the adult population is a development and diversification of the company's core business of caring for the elderly and disabled population who have chronic and long term health conditions.

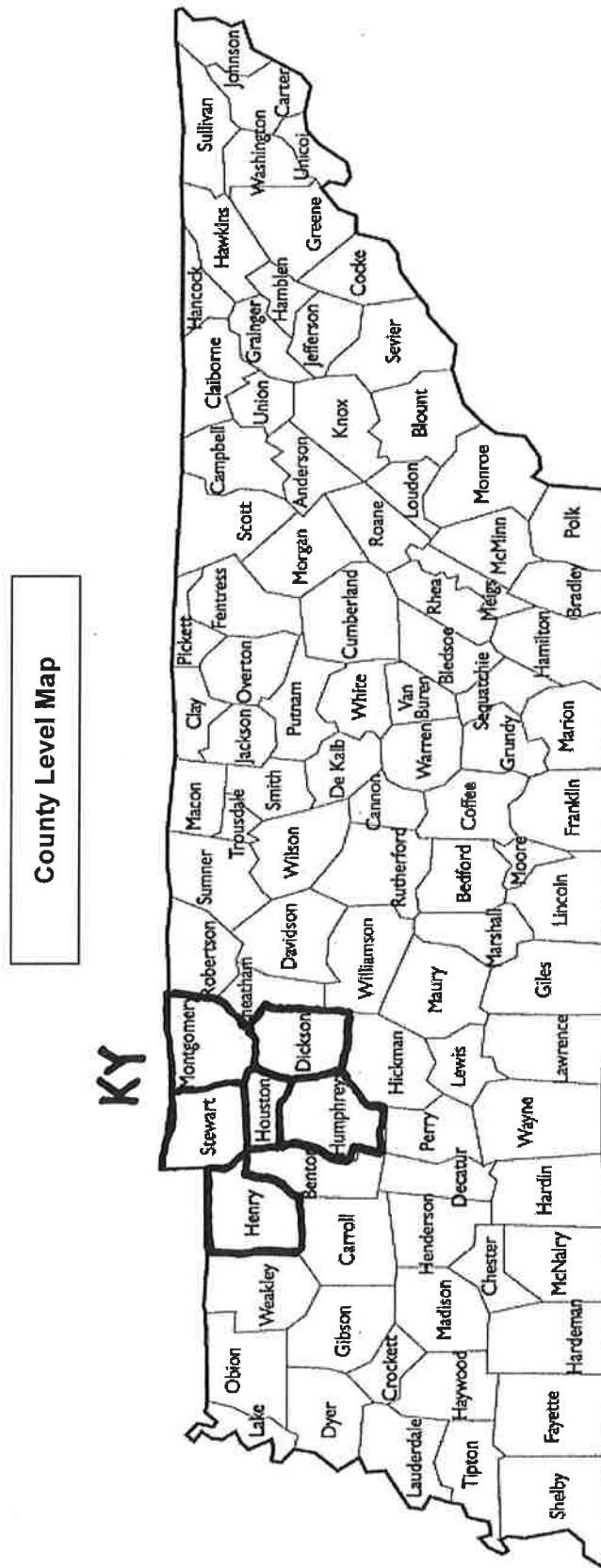
- C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. **Attachment Section B - Need-C.**

**RESPONSE:** A county level map is included showing the proposed primary and secondary service area. The proposed facility will be located in Clarksville, centrally located within Montgomery County. There are no adult psychiatric beds in Montgomery or its adjacent counties. Therefore, the Applicant anticipates the primary service area will be the four county area of Montgomery, Houston, Stewart, and Humphreys. Additionally, the Applicant anticipates that there will be admissions originating from parts of Dickson and Henry counties, as well as some parts of Kentucky adjoining Montgomery County. Admissions data from hospitals (discussed below) support the determination of this service based on the county of origin patterns from the primary service area. The service area is reasonable, and does not overlap in any significant way with the services in other services areas near the project.

Please complete the following tables, if applicable:

<b>Service Area Counties</b>	<b>Historical Utilization-County Residents</b>	<b>% of total procedures</b>
County #1		
County #2		
Etc.		
Total		100%

<b>Service Area Counties</b>	<b>Projected Utilization-County Residents</b>	<b>% of total procedures</b>
County #1		
County #2		
Etc.		
Total		100%



D. 1). a) Describe the demographics of the population to be served by the proposal.

b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census		TennCare			
	Total Population- Current Year (2018)	Total Population- Projected Year (2019)	Total Population-% Change	*Target Population- Current Year	*Target Population- Projected Year	*Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollment, November 2017	TennCare Enrollees as % of Total Population
Montgomery County	211,602	216,612	2.3%	129,229	131,488	1.7%	39.3%	30.3	\$51,528	27,297	12.9%	37,175	17.6%
Stewart County	14,210	14,313	0.7%	8,273	8,280	0.1%	42.2%	43.4	\$41,835	2,330	16.4%	3,120	22.0%
Henry County	33,771	33,922	0.4%	18,486	18,388	-0.5%	45.8%	45.1	\$38,378	6,552	19.4%	7,890	23.4%
Houston County	9,014	9,085	0.8%	5,054	5,068	0.3%	44.2%	43.2	\$40,680	1,604	17.8%	2,000	22.2%
Dickson County	54,959	55,589	1.1%	32,883	33,092	0.6%	40.5%	40.0	\$47,137	8,738	15.9%	11,110	20.2%
Humphreys County	19,090	19,136	0.2%	10,930	10,909	-0.2%	43.0%	41.7	\$40,995	3,532	18.5%	4,483	23.5%
<b>Service Area Total</b>	<b>83,063</b>	<b>83,810</b>	<b>0.9%</b>	<b>48,867</b>	<b>49,069</b>	<b>0.4%</b>	<b>41.5%</b>	<b>40.6</b>	<b>\$43,426</b>	<b>50,053</b>	<b>16.8%</b>	<b>17,593</b>	<b>21.2%</b>
<b>State of TN Total</b>	<b>6,960,524</b>	<b>7,037,025</b>	<b>1.1%</b>	<b>4,191,227</b>	<b>4,211,494</b>	<b>0.5%</b>	<b>40.2%</b>	<b>38.4</b>	<b>\$46,574</b>	<b>1,099,763</b>	<b>15.8%</b>	<b>1,461,291</b>	<b>21.0%</b>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:** The primary service area is characterized by a population with a substantial incidence of mental health issues (see responses to State Health Plan #3). Approximately 20% of the population reports an instance of mental illness in the past year, and 4-8% report a major depressive episode (depending on the age bracket). There also is a substantial percentage of individuals who report thoughts of suicide and substance abuse. Montgomery County in particular has greater than normal needs for mental health services



because of the large military and veteran population. Numerous stories report on the significant and ever increasing mental health needs of veterans, and particularly young veterans returning from combat over the last two decades. There are no inpatient psychiatric hospital providers to meet these needs. Therefore, the Applicant's business plan is to meet these significant needs. The Applicant intends to accept dual-diagnosis patients, TennCare patients, Tricare patients, and patients who are involuntarily admitted to the proposed facility. Accepting involuntary admissions will assist the community in using the appropriate resources (rather than emergency room or incarceration) to meet the needs of those individuals.

- E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

**RESPONSE:** There are no currently operating inpatient psychiatric hospital providers in the service area. There are also no approved but unimplemented CONs for such services in the area.

While there are no inpatient psychiatric hospital providers in the service area to provide utilization and occupancy trends, please see Attachment Section B – Need – E (Hospital JAR Admission Data) for information about admissions trends. Current Joint Annual Report information for hospitals does not provide detailed data on county of origin specifically for psychiatric services/admissions. However, the attachment provides analysis of three hospitals. Two (Henry County Medical Center and Skyline) have inpatient psychiatric beds, but are not in the service area. The other (Tennova) is located where the proposed project will be built. The data provided include county of origin data for all admissions/all services from the 2016 Joint Annual Reports for the individual hospitals.

Those statistics demonstrate that admissions to Tennova (located in Clarksville) are overwhelming from Montgomery County, and the population supporting the hospital is from Montgomery County. The data also indicates that the hospital also draws a significant number of admissions from the bordering counties in Kentucky. Conversely, the data from Henry County Medical Center (located in a secondary service area), indicate very few overall admissions from the counties that the Applicant has identified as its primary service area. Henry County does also draw admission from Kentucky to the north, but it is noteworthy that those Kentucky counties are not the ones adjacent to Montgomery County, and are across the Land Between the Lakes boundary. Lastly, the admissions data from Skyline also indicates that while there is some overlap with Montgomery County, its overwhelming admissions are from south and west of the service area (Davidson, Sumner and Robertson counties).

- F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

**RESPONSE:** The Applicant is not currently licensed nor operating so it has no historical utilization and/or occupancy statistics. A projected annual utilization for each of the two years following completion of the project is attached at Attachment Section B – Need – F and the Projected Data Chart.

## **SECTION B: ECONOMIC FEASIBILITY**

- A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)
- 2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
- 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.
- 5) For projects that include new construction, modification, and/or renovation—documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
  - a) A general description of the project;
  - b) An estimate of the cost to construct the project;
  - c) A description of the status of the site's suitability for the proposed project; and
  - d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

**PROJECT COSTS CHART**

A. Construction and equipment acquired by purchase:		
1	Architectural and Engineering Fees	892,325
2	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	32,500
3	Acquisition of Site	-
4	Preparation of Site	400,000.00
5	Construction Costs	9,146,761.00
6	Contingency Fund	731,741.00
7	Fixed Equipment (Not included in Construction Contract)	1,190,000
8	Moveable Equipment (List all equipment over \$50,000)	
9	Other (Specify)	
B. Acquisition by gift, donation, or lease:		-
1	Facility (inclusive of building and land)	-
2	Building only	-
3	Land only	280,300.00
4	Equipment (Specify)	-
5	Other (Specify)	-
C. Financing Costs and Fees:		
1	Interim Financing	-
2	Underwriting Costs	-
3	Reserve for One Year's Debt Service	-
4	Other (Specify)	
D. Estimated Project Cost (A+B+C)		<u>12,673,627</u>
E. CON Filing Fee		72,873.36
F. Total Estimated Project Cost		<u><u>12,746,500</u></u>

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B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. **(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-B.)**

- ☐ 1) Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ 2) Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ 3) General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ 4) Grants – Notification of intent form for grant application or notice of grant award;
- ☒ 5) Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ 6) Other – Identify and document funding from all other sources.

C. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

*Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

**RESPONSE:** Because the proposed hospital is a new facility, there is no applicable current or historical utilization data. The Applicant's projections for the first two years of operations are include in the attached projected data chart.

D. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

## PROJECTED DATA CHART

Give information for the two (2) years following the completion of this project. The fiscal year begins in December [For Project Only]

	Year - 2020	Year - 2021
<b>A. Utilization Data (=patient days)</b>	<b>7,283</b>	<b>10,974</b>
<b>B. Revenue from Services to Patients</b>		
1. Inpatient Services	\$ 13,654,800	\$ 20,575,800
2. Outpatient Services	\$ -	\$ -
3. Emergency Services	\$ -	\$ -
4. Other Operating Revenue (Specify - _____)	\$ -	\$ -
<b>Gross Operating Revenue</b>	<b>\$ 13,654,800</b>	<b>\$ 20,575,800</b>
<b>C. Deductions from Gross Operating Revenue</b>		
1. Contractual Adjustments	7,212,296	10,867,883
2. Provisions for Charity Care	273,096	411,516
3. Provisions for Bad Debt	273,096	411,516
<b>Total Deductions</b>	<b>\$ 7,758,488</b>	<b>\$ 11,690,915</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 5,896,312</b>	<b>\$ 8,884,885</b>
<b>D. Operating Expenses</b>	\$ -	\$ -
1. Salaries and Wages		
a. Direct Patient Care	\$ 2,216,140	\$ 2,770,175
b. Non-Direct Patient Care	1,029,280	1,217,740
2. Physician's Salaries and Wages	\$ 250,000	\$ 250,000
3. Supplies	378,693	581,609
4. Rent		
a. Paid to Affiliates	\$ 200,000	\$ 200,000
b. Paid to Non-Affiliates		
5. Management Fees		
a. Paid to Affiliates	412,742	621,942
b. Paid to Non-Affiliates		
6. Other Operating Expenses	693,324	1,116,274
<b>Total Operating Expenses</b>	<b>\$ 5,180,179</b>	<b>\$ 6,757,740</b>
<b>E. Earnings Before Interest, Taxes, and Depreciation</b>	<b>\$ 716,133</b>	<b>\$ 2,127,145</b>
<b>F. Non-Operating Expenses</b>		
1. Taxes	\$113,614	\$666,366
2. Depreciation	\$563,636	\$563,636
3. Interest, Other than Capital		
4. Other Non-Operating Expenses		
<b>Total Non-Operating Expenses</b>	<b>\$ 677,251</b>	<b>\$ 1,230,003</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 38,882</b>	<b>\$ 897,142</b>

## PROJECTED DATA CHART

### G. Other Deductions

1. Estimated Annual Principal Debt Repayment	\$ -	\$ -
2. Annual Capital Expenditure	\$ -	\$ -
<b>Total Other Deductions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET BALANCE</b>	<b>\$ 38,882</b>	<b>\$ 897,142</b>
<b>DEPRECIATION</b>	<b>\$563,636</b>	<b>\$563,636</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$ 602,518</b>	<b>\$ 1,460,779</b>

### PROJECTED DATA CHART - OTHER EXPENSES

OTHER EXPENSES CATEGORIES		Year - 2018	Year - 2019
1.	Professional Services	60,779	95,472
2.	Therapy Services	37,141	104,251
3.	Transport Services	24,761	62,550
4.	Contract Services	218,023	497,133
5.	Repairs & Maint.	39,608	60,356
6.	Utilities	218,400	218,400
7.	Insurance	78,113	109,200
8.	Other	13,500	102,000
<b>Total Other Expenses</b>		<b>\$ 690,324</b>	<b>\$ 1,249,361</b>

- E. 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year	Current Year	Year One	Year Two	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	n/a	n/a	\$1,874.89	\$1,874.89	0 %
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	n/a	n/a	\$1,065.29	\$1,065.29	0 %
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	n/a	n/a	\$809.60	\$809.60	0 %

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.
- 3) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**RESPONSE:** As noted above, there are no similar facilities in the service area. A comparison of charges for similar facilities recently approved is below.

Hospital	Year	Days	Gr Rev	Net Rev	GR/Day	Net Rev/Day
Rolling Hills	2014	24,666	\$42,450,186	\$19,806,798	\$1,721	\$803
Trustpoint	2014	21,095	\$39,869,550	\$19,154,260	\$1,890	\$908
Maury Project	2019 (Yr 1)	11,630	\$49,799,660	\$11,176,430	\$4,282	\$961
Applicant	2020 (Yr 1)	7,283	\$13,654,800	\$ 5,896,312	\$ 1,875	\$ 810

- F. 1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment Section B-Economic Feasibility-F1**. **NOTE: Publicly held entities only need to reference their SEC filings.**
- 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:



Year	2nd Year previous to Current Year	1st Year previous to Current Year	Current Year	Projected Year 1	Projected Year 2
Net Operating Margin Ratio	n/a	n/a	n/a	12%	24%

- 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt+Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$0	0%
TennCare/Medicaid	\$3,550,248.00	26%
Commercial/Other Managed Care	\$9,831,456.00	72%
Self-Pay	\$273,096.00	2%
Charity Care	\$273,096.00	2%
Other (Specify) _____		
Total	\$13,654,800.00	100%

- H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.

**RESPONSE:** The Applicant is not currently licensed nor operating so it has no current staffing for comparison in the chart below. The chart below provides the projected Year 1 staffing by FTEs and compares those projected wages to the prevailing wages published by the Department of Labor & Workforce Development. The chart uses statewide median salary data as reported at the JOBS4TN.gov website, and wages were available for 2016 occupational data.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/ Statewide Average Wage
<b>a) Direct Patient Care Positions</b>				
Director of Nursing/CNO	n/a	1.00	\$ 125,000	
Nurse Manager	n/a	1.00	\$ 75,920	\$65,590
Nurse Supervisor	n/a	2.50	\$ 69,680	\$57,590
Nurse (RN & LPN)	n/a	23.17	\$ 51,703	\$57,590
Mental Health Technician	n/a	10.92	\$ 29,078	\$24,110
Activity Therapist	n/a	2.43	\$ 37,440	\$41,300
Social Worker	n/a	4.85	\$ 48,360	\$34,320
<b>Total Direct Patient Care Positions</b>	n/a	45.87		
<b>b) Non-Patient Care Positions</b>				
Administrator/CEO	n/a	1.00	\$ 140,000	\$ 140,140
Pharmacy	n/a	3.64	\$ 104,000	\$ 121,540
Dietary	n/a	7.28	\$ 27,560	\$ 22,050
Business Office Mgr.	n/a	1.00	\$ 39,416	\$ 36,320
Facility Management	n/a	1.00	\$ 48,880	\$ 36,460
Security	n/a	3.64	\$ 29,307	\$ 24,270
Environmental Services	n/a	7.28	\$ 22,058	\$ 21,680
Marketing	n/a	1.00	\$ 85,000	\$ 82,400
<b>Total Non-Patient Care Positions</b>	n/a	24.84		
<b>Total Employees (A+B)</b>	n/a	70.71		
<b>c) Contractual Staff</b>	n/a			
Medical Director	n/a	1.00	\$ 250,000	\$150-\$300,0000
<b>Total Staff (a+b+c)</b>	n/a	71.71		

- I. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
  - 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.
  - 2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

**RESPONSE:** The Applicant has made the determination that there is sufficient need in the service area for adult psychiatric beds. While the proposed facility is a new facility and will be a newly licensed facility, the Applicant has made the most cost-effective decision in planning for the new facility by locating it adjacent to the existing geropsychiatric facility on the site. This location will allow for sharing of various services between the two facilities (as described in the application) to increase efficiencies. The location on the existing parcel will also reduce the land acquisition costs for developing the new facility. Moreover, the location of the facility across from the Tennova Clarksville hospital puts it in the best location to facilitate the coordination of care for patients at the proposed facility. The project leverages the existing infrastructure of the AHC geropsychiatric hospital to ensure efficient use of space, staff and other resources.

In discussions the Applicant had in preparation for this project, some which included conversations with the Tennova Clarksville, consideration was given to seeking to create only a smaller crisis stabilization unit. However, the decisions was made that need, demand for services, and the feasibility of a financial model required a facility fully dedicated to the care of these patients and to inpatient psychiatric services.

There are also programmatic reasons for the construction of a new facility in addition to the concern around the need for more beds than the existing facility can offer. From a programming and clinical perspective, the current layout of the geropsychiatric facility would not allow the Applicant to provide the correct programming and segregation of diverse patient populations. It is critical to ensure there is no cross between adult and geriatric patient populations, especially because the proposed facility will accept adult involuntary commitments. Dining, therapy, activities, etc. would be very difficult to schedule without having undesirable cross-over between the two age populations.

Lastly, the existing facility (which was converted from a long term care facility use) would need to have its physical plant heavily altered to provide the necessary features to ensure that an adult populations would be protected, as they could much easier harm themselves or others. As noted above, the Applicant believes it is not appropriate to accept involuntary admissions in the same space as geriatric patients. The Applicant's primary objective is to ensure they assist the community in meeting the demand that is needed including detox, etc.

## **SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE**

- A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

**RESPONSE:** The Applicant is not currently licensed nor operating so it currently has not contractual or working relationships with other health care providers. As noted in the application, the proposed hospital and the Applicant are intended to work very closely and complementarily with Tennova Clarksville hospital.

The acute care hospital will provide medical support to the Applicant's patients, and the addition of adult inpatient psychiatric services will provide a needed service and referral location for patients at Tennova Clarksville with mental health conditions.

- B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

1) Positive Effects

**RESPONSE:** As indicated by the letters of support and the statistical need demonstrated for this project, the proposed hospital is greatly needed to bring adult psychiatric services to Montgomery and the surrounding counties. The project will greatly benefit service area consumers. It will provide needed, high quality inpatient adult psychiatric services for mental health and substance abuse conditions that is not available in the area. It will eliminate the inefficient use of emergency rooms holding individuals who need inpatient psychiatric placement, and now may have to go long distances for admission to an inpatient unit. It will eliminate the need for service area residents to drive long distances for this care. It will also extend the continuum of behavioral health care services available locally, by serving more age groups and by offering both mental healthcare to a large rural population that is likely now not receiving services or that is underserved. The development of the inpatient adult psychiatric hospital will also allow for the subsequent development of additional OP services for this population. The Applicant is also committed to working with Veterans Administration health services and veterans groups. Numerous studies indicate that the prevalence of mental health conditions in veterans is higher than in the general population.

2) Negative Effects

**RESPONSE:** The Applicant does not anticipate any negative effects from approval of the proposed hospital. The Applicant carefully considered the existing providers and the need existing in Montgomery and the surrounding counties. As stated previously, there are no adult psychiatric programs in the four counties of the primary service area. Therefore, the project will not have any adverse impact on any other facility in the primary service area. It will also not compete significantly with any existing mental health providers located in adjacent counties or the secondary service area. Davidson county facilities who currently accommodate outmigration from the counties in the service area will not be affected because 1) their percentage of admissions is minimal, and 2) growth and need for mental health services from the rapidly growing Davidson County population will more than replace any small decrease. This will also prevent the ability to keep those resources available.

- C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**RESPONSE:** The Applicant will employ as the primary physician leader a Board Certified, Adult and Chemical Dependency Psychiatrist. Further, there will be a back-up psychiatrist. There will be a Consulting Registered Dietician and a full-time LCSW on staff as the Director of Social Services. Additional social worker staff and mental health support workers will also be recruited to provide therapeutic groups and activities. The Applicant will use 12-hour shifts for all direct patient care staff.

The Applicant does not anticipate any problem with fulfilling its human resources requirements.

The proposed staffing plan will lead to quality care of the patient population served by the project because trained and monitored nursing staff, in numbers based on patient acuity will be employed to ensure exemplary patient care and patient safety. Because the proposed hospital will be located adjacent to the existing and operational geriatric hospital, the Applicant does not anticipate any problems with recruiting sufficient staff. The Applicant's projected salaries for employees are consistent or above statewide medians, and it will provide competitive benefits that promote a favorable working environment, contributing to stability in the area work force. Additionally, the Applicant has identified a psychiatrist (Dr. Karen Berry) who will serve as medical director of the proposed facility, and is currently serving with American Health Centers in the capacity as a corporate medical director to the existing behavioral health centers.

- 2) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**RESPONSE:** The Applicant so verifies. The Applicant is part of an established health care organization with many years of experience operating health care facilities, including behavioral health hospitals. The Applicant will be licensed by the Tennessee Department of Mental Health and Substance Abuse (TNDMHSA) and accredited by the Joint Commission.

- 3) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

**RESPONSE:** Whenever possible the Applicant will pursue and gladly accommodate opportunities to work with the schools of nursing to serve as clinical sites. It also plans to extend intern rotation opportunities for medical and psychiatric training to the medical schools in Nashville and surrounding areas.

- D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure:

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.):

Accreditation (i.e., Joint Commission, CARF, etc.):

**RESPONSE:** Unity Psychiatric Services Clarksville LLC is a new entity, and is not yet licensed. The Applicant will be licensed by the Tennessee Department of Mental Health and Substance Abuse (TNDMHSA) as a mental health hospital, and will seek and become accredited by the Joint Commission under JCAHO's standards for adult psychiatric facilities. The proposed facility will be certified for Medicare as a psychiatric hospital. The proposed facility will be certified for Medicaid participation by TennCare, and also seek participation in Tricare.

- 1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

**RESPONSE:** Unity Psychiatric Services Clarksville LLC is a new entity, and is not yet licensed. The question is not applicable.

- 2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a

letter from the appropriate agency.

**RESPONSE:** Unity Psychiatric Services Clarksville LLC is a new entity, and is not yet licensed. The question is not applicable.

- 3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

- a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

**RESPONSE:** Unity Psychiatric Services Clarksville LLC is a new entity, and is not yet licensed. The question is not applicable.

E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- 1) Has any of the following:

- a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or
- c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

- 2) Been subjected to any of the following:

- a) Final Order or Judgment in a state licensure action;
- b) Criminal fines in cases involving a Federal or State health care offense;
- c) Civil monetary penalties in cases involving a Federal or State health care offense;
- d) Administrative monetary penalties in cases involving a Federal or State health care offense;
- e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or
- f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.
- g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

- h) Is presently subject to a corporate integrity agreement.

**RESPONSE:** Neither the Applicant nor any person(s) or entity with more than 5% ownership within the chain of ownership of the Applicant has been subject to any of the events/actions noted in (E)(2)(a-h).

**F. Outstanding Projects:**

- 1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<u><b>Outstanding Projects</b></u>					
<u><b>CON Number</b></u>	<u><b>Project Name</b></u>	<u><b>Date Approved</b></u>	<u><b>*Annual Progress Report(s)</b></u>		<u><b>Expiration Date</b></u>
			<u><b>Due Date</b></u>	<u><b>Date Filed</b></u>	

\* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

- 2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

**RESPONSE:** Not applicable. The Applicant does not have any outstanding CONs.

G. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)? \_\_\_\_\_
- 2) If yes, have you submitted their registration to HSDA? If you have, what was the date of submission? \_\_\_\_\_
- 3) If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? \_\_\_\_\_

**RESPONSE:** The question is not applicable to the Applicant or project.

### **SECTION B: QUALITY MEASURES**

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

**RESPONSE:** The Applicant will met this criteria and provide all reasonably requested information.

### **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

- A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.
- B. People in Tennessee should have access to health care and the conditions to achieve optimal health.
- C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.
- D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.
- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.



## PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

## NOTIFICATION REQUIREMENTS

### **(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)**

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

## DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

Phase	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date		April 25, 2018
2. Architectural and engineering contract signed	0	January 2018
3. Construction documents approved by the Tennessee Department of Health	90	July 2018
4. Construction contract signed	91	July 2018
5. Building permit secured	136	September 2018
6. Site preparation completed	166	October 2018
7. Building construction commenced	180	October 2018
8. Construction 40% complete	300	February 2019
9. Construction 80% complete	420	June 2019
10. Construction 100% complete (approved for occupancy)	510	September 2019
11. *Issuance of License	540	October 2019
12. *Issuance of Service	570	November 2019
13. Final Architectural Certification of Payment	580	November 2019
14. Final Project Report Form submitted (Form HR0055)	590	December 2019

\*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

**NOTE:** If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

**AFFIDAVIT**

STATE OF Tennessee

COUNTY OF Davidson


Christopher C. Puri, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

  
SIGNATURE/TITLE

Sworn to and subscribed before me this 12th day of January, 2018 a Notary  
(Month) (Year)

Public in and for the County/State of Davidson County, Tennessee.

  
NOTARY PUBLIC



My commission expires May 5, 2020  
(Month/Day) (Year)

## **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning>). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

**RESPONSE:** While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, the proposed inpatient psychiatric hospital is consistent with this goal because it seeks to create new services where there currently are not such services, and where they are desperately needed. According to a Tennessee DMHSAS study in February 2016, the Department concluded that mental health treatment helped people with mental health needs:

- Decrease negative feelings and suicidal thoughts, substance abuse, arrests, and hospital stays, and
- Increase their ability to control their symptoms, the belief that medication was helping them, and increase their medical use compliance.

The proposed facility will help increase the access to mental health services, which are proven to improve the lives of the general public.

B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

**RESPONSE:** The proposed hospital will provide access to services and serve persons not now receiving such care because of unwillingness or inability to drive long distances to the greater Nashville area. There will be a net increase in services overall, still consistent with projected need for such services. The development of the project is directly in line with this health planning goal.

C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

**RESPONSE:** As mentioned above, this project will also free the appropriate development of hospital acute care space now not being properly used that will allow it to better meet community needs. This project represents an optimal development concept, located adjacent to an existing geropsychiatric hospital and within one half mile of the main acute care hospital in the community. The Applicant and the acute care hospital plan to work closely on the development of the project, and the hospital is strongly supportive of its approval. With two experienced and well-regarded organizations cooperating (rather than competing) to provide this needed care, the project is in line with economically efficient health care from the consumer's perspective.

D. People in Tennessee should have confidence that the quality of health care is

continually monitored and standards are adhered to by providers.

**RESPONSE:** The Applicant will obtain not only licensure and certification, but also accreditation from the Joint Commission to ensure appropriate oversight and validation of the high standards of care it plans to maintain. The Applicant has also outlined its quality goals in the "Quality Measures" responses in this application, immediately preceding this Section C.

- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

**RESPONSE:** The development of the proposal inpatient psychiatric hospital will allow for additional opportunities for psychiatrists and other medical/psychiatric practitioners to live and work in the Clarksville and surround area, thereby supporting a solid employment environment for those medical professionals. This in turn will support the support the development, recruitment, and retention of a sufficient and quality health workforce.

SECTION A: PROJECT DETAILS  
Attachment A-4 (Part 1)

Corporate Charter/Articles of Incorporation  
Unity Psychiatric Services Clarksville, LLC  
(Applicant)



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**

State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP  
1600 DIVISION STREET SUITE 700  
NASHVILLE, TN 37203

January 11, 2018

Request Type: Certificate of Existence/Authorization  
Request #: 0263064

Issuance Date: 01/11/2018  
Copies Requested: 1

Document Receipt

Receipt #: 003737273

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3718852754

\$20.00

Regarding: Unity Psychiatric Services Clarksville, LLC

Filing Type: Limited Liability Company - Domestic

Control #: 939825

Formation/Qualification Date: 01/05/2018

Date Formed: 01/05/2018

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: WILLIAMSON COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Unity Psychiatric Services Clarksville, LLC

\* is a Limited Liability Company duly formed under the law of this State with a date of incorporation and duration as given above;

\* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

\* has appointed a registered agent and registered office in this State;

\* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 025930930

SECTION A: PROJECT DETAILS  
Attachment A-4 (Part 2)

Certificate of Corporate Existence from the  
Tennessee Secretary of State

American Health Companies, Inc.  
Tennessee Health Management, Inc.





Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP  
1600 DIVISION STREET SUITE 700  
NASHVILLE, TN 37203

January 11, 2018

Request Type: Certificate of Existence/Authorization  
Request #: 0263065

Issuance Date: 01/11/2018  
Copies Requested: 1

Document Receipt

Receipt #: 003737283

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3718852931

\$20.00

Regarding: AMERICAN HEALTH COMPANIES, INC.

Filing Type: For-profit Corporation - Domestic

Control #: 138613

Formation/Qualification Date: 02/24/1984

Date Formed: 02/24/1984

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: DECATUR COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

AMERICAN HEALTH COMPANIES, INC.

\* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;

\* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;

\* has filed the most recent annual report required with this office;

\* has appointed a registered agent and registered office in this State;

\* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 025931225



Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP  
1600 DIVISION STREET SUITE 700  
NASHVILLE, TN 37203

January 11, 2018

Request Type: Certificate of Existence/Authorization  
Request #: 0263062

Issuance Date: 01/11/2018  
Copies Requested: 1

Document Receipt

Receipt #: 003737255 Filing Fee: \$20.00  
Payment-Credit Card - State Payment Center - CC #: 3718852552 \$20.00

Regarding: TENNESSEE HEALTH MANAGEMENT, INC.  
Filing Type: For-profit Corporation - Domestic Control #: 264216  
Formation/Qualification Date: 03/31/1993 Date Formed: 03/31/1993  
Status: Active Formation Locale: TENNESSEE  
Duration Term: Perpetual Inactive Date:  
Business County: DECATUR COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

TENNESSEE HEALTH MANAGEMENT, INC.

- \* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

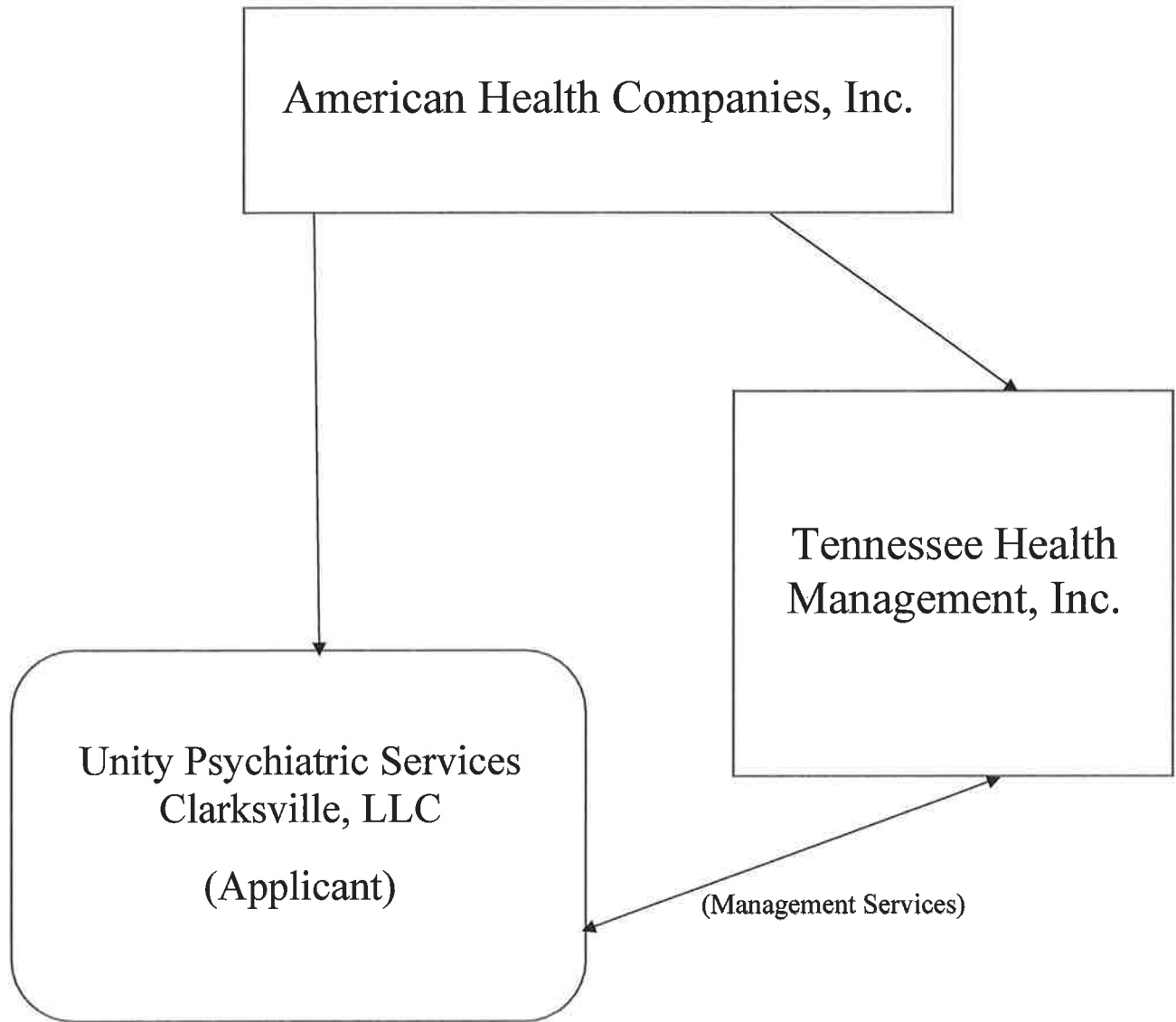
Processed By: Cert Web User

Verification #: 025930627

## SECTION A: PROJECT DETAILS

### Attachment A-4 (Part 3)

#### Ownership Organizational Chart



# SECTION A: PROJECT DETAILS

## Attachment A-5

### Draft Management Agreement

## MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into the 1<sup>st</sup> day of <MONTH, YEAR> by and between UNITY PSYCHIATRIC SERVICES CLARKSVILLE, LLC, a Tennessee corporation with offices at 930 Professional Park Drive, Clarksville, TN 37040 ("Operator"), and TENNESSEE HEALTH MANAGEMENT, INC., a Tennessee corporation with a principal office located at 1971 Tennessee Avenue North, Parsons, Tennessee 38363, ("Manager").

### RECITALS:

WHEREAS, Operator operates a psychiatric hospital located in Clarksville, Tennessee ("Hospital);

WHEREAS, Manager is in the business of providing management and consulting services to and on behalf psychiatric hospitals; and

WHEREAS, Operator desires to engage Manager to manage the operation of the Hospital for and on behalf of Operator and Manager is agreeable to such engagement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

### AGREEMENT:

**1. Engagement.** Operator hereby appoints and engages Manager, and Manager hereby accepts said appointment and engagement, to supervise and direct the management and operation of the Hospital upon the terms and conditions set forth herein.

**2. Term.** The Term of this Agreement shall be for the period commencing upon the date hereof and ending on the third (3<sup>rd</sup>) annual anniversary from that date. This Agreement shall automatically renew for successive one (1) year Renewal Terms unless notice is given in writing by either party to the other at least sixty (60) days prior to the expiration of the original Term or any Renewal Term or any other mutually agreed-to extensions.

### **3. Services of Manager.**

**3.1** On behalf of Operator, Manager shall have the responsibility, and commensurate authority, to manage and supervise the operations of the Hospital. Manager agrees to manage the Operator at a level and in a manner in compliance with hospital professional standards for the operation of similar or like facilities in the State of Tennessee. Notwithstanding anything herein to the contrary, the Operator's Administrator shall have the requisite power and authority to operate the Hospital as shall be required by the State of Tennessee at the minimum level of power and authority to be possessed by the licensed Operator and Administrator of a hospital in the State of Tennessee.

**3.2** Manager is authorized to make and enter into in the name of Operator all such contracts and agreements for the purchase of supplies and equipment as are necessary for the operation and

maintenance of the Hospital; Manager is hereby authorized to enter into all or any contracts in the name of and on behalf of Operator when in the opinion of Manager they will assist the better operation of the Hospital; Manager shall be vested with broad discretion as to the terms of such agreements; Manager is clothed with such general authority and powers as may be necessary to carry out the spirit and intent of this Agreement; however, Manager must obtain the consent of Operator before entering into any contract for maintenance, repair, or replacement of any part of the Hospital or any furniture, fixture, or equipment if the amount payable thereunder exceeds the sum of TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) which consent shall not be unreasonably withheld.

3.3 Manager agrees to interview, hire, supervise and direct on behalf of Operator the work of the Administrator in the operation of the Hospital. Manager shall be vested with full authority to make recommendations to the Operator's Board of Directors to terminate the employment of any Administrator or to hire a replacement Administrator with the approval of Operator as Manager deems appropriate. Manager agrees to supervise and direct the Administrator to negotiate wages and salaries for Operator's employees comparable to those being paid elsewhere in the locality for similar positions in the hospital business. It is expressly understood and agreed that all employees employed in the course of the Hospital operation shall be employees of Operator. Manager shall in no way be liable to employees for their salaries, wages, or other compensation, or terms and conditions of employment, and Manager shall not be responsible to Operator or to any third parties for any acts or omissions of such employees whether such act or omission occurs in the course of employment or not. It is expressly understood and agreed that the Hospital's Administrator and all of Operator's employees are subject to the direction of Manager and shall be accountable to it in their employment by Operator.

3.4 Manager shall prepare and make available to Operator, for its approval each calendar month of the Term or Renewal Term, monthly and cumulative financial statements and balance sheets for the preceding month. Manager shall prepare and make available to Operator for its approval cumulative financial statements and balance sheets for each twelve (12) months of the Term or Renewal Term (or shorter period if the Term is ended at other than the end of such twelve (12) month period), no later than seventy-five (75) days after the end of each such twelve (12) month (or shorter) period. Manager shall establish and implement bookkeeping and accounting procedures necessary for the preparation of financial records, in accordance with the operating capital and cash flow management programs developed by Manager, which programs shall produce reasonably reliable financial data. On behalf of Operator and at Operator's expense, Manager, with Operator's input and approval which approval shall not be unreasonably withheld, shall engage an accounting firm with hospital expertise and which is familiar with Manager's systems and records to prepare all necessary audits and third-party cost reports. Operator shall cooperate with and assist in the preparation of such audits and third-party cost reports.

3.5 Manager will provide internal and, through contracted third-party administrators, external administration of Operator's employees' employee benefit plans.

3.6 Manager will provide consulting services to Operator in the following practice areas – best practices, quality improvement, nursing, dietary, third party and private pay billing, payment of accounts, nursing and operations policies and procedures, and physical plant maintenance,

improvement and services, accounting and finance, compliance, administration of workers' compensation claims, employee benefits, payroll, health care management, human resources, information technology, employee training, and document management.

3.7 Manager will provide internal and, through third-party legal counsel, external legal services to Operator.

3.8 Manager will provide consulting services to Operator in regard to Operator's insurance coverages.

#### **4. Responsibilities of Operator.**

4.1 Operator shall at all times: (i) be and remain legally organized and operated in a manner consistent with all Tennessee and federal laws, rules and regulations; (ii) be and remain eligible to participate in all federally-funded health care programs, including, without limitation, Medicare and Medicaid; (iii) have within its engagement a sufficient number employees, equipment, supplies and/or vehicles necessary or desirable to meet the requirements of this Agreement; and (iv) discharge the duties of this Agreement in a timely, efficient and appropriate manner.

4.2 Operator shall furnish all equipment and install in the Hospital all such furniture, fixtures, and equipment and shall supply all such products and items of a consumable nature so as to make the Hospital operational to the satisfaction of Manager at the commencement of the Agreement.

4.3 All operations cost and expense of every kind and nature ("Operating Expenses") shall be incurred in the name of Operator, shall be the sole responsibility of Operator, and shall be payable by Operator in the manner set out in Section 4.5 hereof.

4.4 The costs, fees, compensation and other remuneration of any persons engaged by Manager on behalf of Operator, including, but not limited to, the Administrator and those third-parties referenced in Section 3 hereof, shall be a usual and ordinary Operating Expense and shall not be payable by Manager.

4.5 Operator shall provide sufficient working capital and maintain sufficient bank balances or bank line of credit to pay all usual and ordinary Operating Expenses. Operator shall be solely responsible for all Operating Expenses. At the request of Manager and to the extent required to provide adequate working capital to Manager to pay Operating Expenses, Operator shall deposit funds into the Hospital's banking account utilized for that purpose. Manager shall in no way be liable for Operating Expenses, and may immediately terminate this Agreement upon notice of deficient working capital as provided in Section 11.2 below.

4.6 Upon Manager's request, Operator agrees to reimburse Manager for all reasonable food, travel, and lodging expenses when Managers' employees or representatives travel to the Hospital particularly in the event of any necessary, extraordinary periods of stay.

4.7 It is Operator's intent to operate the Hospital in an appropriate and quality care oriented manner and in so doing it commits to providing Manager with prompt responses and unambiguous



guidance as to the Hospital's operations. Operator shall fully cooperate with Manager and do all things reasonably necessary and convenient to obtain and maintain all licenses, Medicare and Medicaid certifications and accreditations that are necessary for the Hospital to operate as a hospital and to be reimbursed therefore; and to provide all necessary repairs, renewals, replacements and additions to the Hospital. Operator shall give timely consents necessary to develop and implement operating and employment procedures for the Hospital.

4.8 Operator will comply with all federal and state laws and regulations concerning individual civil rights and will not discriminate against any persons on the basis of race, creed, color, religion, national origin, sex, age, disability or veteran status in connection with any activity carried on by Operator or its designees for or concerning Operator or patients of the Hospital affecting the care and treatment of patients or otherwise.

4.9 All proceedings, files, records, and related information of Manager pertaining to the provision of management services hereunder shall be maintained by and are the property of Manager and shall be kept strictly confidential by Operator and each individual acting on behalf of Operator. Neither Operator nor any individual acting on behalf of Operator shall voluntarily disclose such confidential information, either orally or in writing, except as expressly required or permitted by law, for professional liability insurance purposes or for defense of a professional liability claim, or pursuant to a written authorization of Manager. This covenant shall survive the expiration or termination of this Agreement for any reason. Operator shall immediately notify Manager of any such disclosures, whether involuntary or voluntary, in writing.

**5. Banking.** All monies received by Operator or Manager on behalf of Operator in the course of the operation of the Hospital shall be deposited into a banking account in an institution where deposits are insured by an agency of the U. S. Government. Cash disbursements by Operator or Manager on behalf of Operator in the course of its management and operation of the Hospital shall be made from said account. Manager shall be a co-signatory on all such accounts. Operator shall not make any disbursements from said account(s) greater than Five Hundred Dollars (\$500.00) outside the ordinary course of business without Manager's consent. Nothing herein contained, however, shall be construed so as to deprive Operator from the right to maintain cash and to make payments therefrom as the same are generally understood and employed in the hospital business, and to make cash disbursements from surplus funds, to fund reserve accounts, to make improvements to the Hospital, and to make debt reduction payments, all with the prior consent of Manager.

**6. Compensation of Manager/Management Fee.** Operator agrees to pay Manager as its Management Fee hereunder seven (7%) of net operating revenue for each month during the Term and any Renewal Term; payment of the Management Fee shall be made on or before the 10th day of the following month. Such compensation shall accrue from the date hereof.

**7. Access to Hospital and its Books and Records.** Operator shall, during the Term and any Renewal Term, give Manager complete and unrestricted access to the Hospital, its books, records, offices, employees, and facilities, in order that Manager may carry out its duties hereunder.

**8. Indemnity and Insurance.**

8.1 Indemnity. Operator agrees:

(i) to hold and save Manager, its officers, directors, agents, employees, shareholders, affiliates, successors, and assigns free and harmless from all damages for any injuries to any persons or property by reason of any cause whatsoever either in or about the premises or elsewhere specifically including but not limited to any claim arising out of or related to Manager's management of Hospital;

(ii) to reimburse Manager, its officers, directors, agents, employees, shareholders, affiliates, successors, and assigns, upon demand for any expenses which they may incur for any reasons whatsoever, either in connection with or as an expense in defense of, any claim, civil or criminal action, proceeding, charge or prosecution made, instituted or maintained against Manager or Operator and Manager jointly or severally, arising out of or related in any way to the condition, use, or operation of the Hospital, any act or omission of Manager or Operator, or employees of Operator or Manager, or based upon any law, regulation, requirement, contract or award relating to the hours of employment, terms and conditions of employment, wages and/or compensation of employees or former employees of Operator;

(iii) to defend promptly and diligently, at Operator's sole expense, any claim, action or proceeding brought against Manager or Operator and Manager jointly or severally arising out of or connected in any way with any of the foregoing, and to hold harmless and fully indemnify Manager, its officers, directors, agents, employees, affiliates, successors, and assigns from any judgment or loss of settlement on account thereof. It is expressly understood and agreed that the foregoing provisions of this section shall survive the expiration or termination of the Agreement, and this expression shall not be construed to mean that Operator's liability does not survive as to any other provisions of the Agreement.

8.2 Insurance. Operator shall maintain, and Manager may negotiate and obtain on behalf of Operator, insurance covering all risks normally and customarily insured by psychiatric hospitals, including but not limited to, property/casualty insurance, general and professional liability coverage in the minimum amount of One Million Dollars (\$1,000,000) each claim/ Three Million Dollars (\$3,000,000) annual aggregate, steam boiler, payroll holdup, employee dishonesty bonds, patient trust surety bonds, and all statutorily required coverage, specifically including workers' compensation, all insurance coverages in such amounts as determined adequate by Manager. All insurance policies and fidelity bonds shall name Manager as a co-insured and American Health Companies, Inc. as an additional co-insured and shall not be cancelable except upon thirty (30) days prior written notice to Manager. The cost of all such policies shall be deemed a usual and ordinary Operating Expense.

**9. Policy and Procedure Manuals.** Manager has provided a recommended Policy and Procedure Manuals for the Hospital's operations. Operator acknowledges and agrees that Policy and Procedure Manuals shall at all times remain the property of Manager. Operator hereby approves and adopts Manager's Policy and Procedure Manuals for the Operator.

**10. Non-Solicitation of Manager's Employees.** Operator hereby agrees that after termination of this Agreement for any reason that it will not solicit the employment of or employ any employee or representative of Manager for a period of two (2) years.

**11. Termination of Agreement.** This Agreement shall terminate upon the occurrence of any one of the following events:

11.1 Expiration of the original Term or any Renewal Term with proper notice;

11.2 The breach of either party of any substantive obligation created by this Agreement, and the non-breaching party provides the breaching party notice of termination; provided, however, such termination shall not be effective if the breach is capable of cure and the breaching party, within ten (10) calendar days after receipt of such notice, takes and continues thereafter to take all steps reasonably necessary to cure such breach, in which case, the non-breaching party may terminate this Agreement on further written notice if the breaching party ceases to continue to take such efforts;

(a) Events of Breach. Events of Operator's breach of a substantive obligation created by this Agreement, unless waived by Manager in writing, would include, but not be limited to, the following:

- (1) Operator fails to pay, when due, any of the amounts specified herein;
- (2) Operator fails to provide sufficient working capital to pay all usual and ordinary Operating Expenses;
- (3) Any material misrepresentation by the Operator either in writing or orally, made to the Manager which is proven to be untrue as of the date the statement, either oral or in writing, was made.
- (4) At the Manager's discretion, upon the entry or filing of any uninsured final judgment, final writ or final warrant of attachment or of any similar process in an amount in excess of \$500,000.00, whether against the Operator or against any of the property or assets of the Operator and failure of the Operator to vacate, bond, stay or contest in good faith such judgment, writ, warrant of attachment or other process for a period of 60 days or failure to pay or satisfy such judgment within 60 days;
- (5) The Operator (a) shall generally not pay or shall be unable to pay its debts as such debts become due; or (b) shall make an assignment for the benefit of creditors or petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it or a substantial part of its assets; or (c) shall commence a proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (d) shall have had any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made; or (e) shall indicate, by any act or omission, its consent to, approval of or acquiescence in any such

petition, application, proceeding or order for relief or the appointment of a custodian, receiver or trustee for it or a substantial part of its assets; or (f) shall suffer any such custodianship, receivership or trusteeship to continue undischarged for a period of sixty (60) days or more;

(6) The Operator shall be liquidated, dissolved, partitioned or terminated; or

(7) The Operator shall default in the timely payment or performance of any other obligation now or hereafter owed to Manager subject to applicable grace periods, if any.

11.3 If the Hospital, or any substantial part thereof, shall be damaged or destroyed by fire or other casualty, and Operator elects not to reopen the Hospital and provides Manager notice of termination.

## **12. Compliance with Federal and State Health Care Programs.**

12.1 All references in this Agreement to “Medicare regulations” and all citations of “Sections” in this Section 12 refer to those regulations contained at 42 Code of Federal Regulations, applicable to psychiatric hospitals, as those Sections now exist or as those Sections may be subsequently renumbered or revised.

12.2 Manager and Operator specifically recognize that it is Operator’s intent to provide services to patients covered by Federal and State health care programs and that each has an obligation to comply with the requirements of the these programs for payment for services provided by Operator, to the extent that such services are provided pursuant to this Agreement. Each party hereby agrees to cooperate with the other in order to assure that these requirements are met.

12.3 Until the expiration of five (5) years after the termination of this Agreement, the parties shall make available, upon request of the Secretary of the Department of Health and Human Services or the Comptroller General of the United States, Tennessee Bureau of TennCare, state comptroller’s office, or any governmental regulatory agency or any of their duly authorized representatives, this Agreement and such books, documents, and records as are reasonably necessary to certify the nature and the costs of the services rendered pursuant to this Agreement. If a party carries out any of the duties of this Agreement through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization, such subcontract shall contain a clause to the effect that until the expiration of five (5) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary of the Department of Health and Human Services or upon request of the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract, books, documents, and records of such organization that are necessary to verify the nature and extent of the cost of services provided pursuant to said subcontract. This Section shall survive the expiration or termination of this Agreement for any reason.

12.4 The parties hereby represent and warrant that neither them nor any person engaged by them is, and at no time has been, excluded from participation in any federally-funded health care program, including Medicare and Medicaid.

### **13. Compliance with HIPAA Requirements.**

13.1 For purposes of this Section, the term “Protected Health Information” shall include all individually identifiable health information as defined by the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder (collectively, “HIPAA”). The terms and provisions of this Section shall apply only to Protected Health Information transmitted by Operator to Provider and maintained by Operator or Provider, regardless of form.

13.2 Operator and Provider agree that Protected Health Information shall be disclosed to each other, as the case may be, solely for purposes of treatment, payment, and applicable health care operations activities and that such disclosures shall be made in compliance with 45 C.F.R. § 164.506.

13.3 Operator shall notify Manager of any expiration or revocation of an authorization previously received by Operator from a patient. Upon notification, Provider shall destroy or return to Operator all Protected Health Information related to the patient.

13.4 Manager represents and warrants to Operator that it will not use the Protected Health Information disclosed to it, nor will it disclose such Protected Health Information to others, except as this Agreement specifically permits and in compliance with the requirements of HIPAA and such additional requirements, if any, that state law imposes. Manager further represents and warrants that it will:

- (a) Not use or further disclose Protected Health Information provided by Operator other than as permitted or required by this Agreement or as required by law;
- (b) Use appropriate safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this Agreement;
- (c) Report to Operator any use or disclosure of Protected Health Information not provided for by this Agreement of which it becomes aware;
- (d) Mitigate, to the extent practicable, any harmful effects of a use or disclosure of Protected Health Information by Provider in violation of this Agreement of which it is aware;
- (e) Ensure that any agents, including a subcontractor, to whom it provides Protected Health Information received from Operator or created or received by Manager on behalf of Operator, agree to the same restrictions and conditions that apply to Provider through this Agreement with respect to such Protected Health Information. This provision in no way, however, serving as an authorization by Operator for Manager to disclose such Protected Health Information to an agent or subcontractor;
- (f) Provide access to Protected Health Information in a Designated Record Set, at the request of Operator and in the time and manner specified by Operator, to Operator or a patient designated by Operator.

- (g) Make any amendment(s) to Protected Health Information in a Designated Record Set that Operator directs or agrees to pursuant to at the request of Operator or a patient, such amendment(s) to be completed in the time and manner specified by Operator;
- (h) Document disclosures of Protected Health Information and information related to such disclosures as would be required for Operator to respond to a request by a patient for an accounting of disclosures.
- (i) Provide to Operator or a patient, in a time and manner specified by Operator, information collected in accordance with Section 13.2 of this Agreement, to permit Operator to respond to a request by a patient for an accounting of disclosures.
- (j) Make its internal practices, books, records and related information relating to the use and disclosure of Protected Health Information, available to the Secretary of the Department of Health and Human Services of the United States of America for purposes of determining Operator's compliance with HIPAA; and
- (k) At termination of this Agreement, if feasible, return or destroy all Protected Health Information that Manager, its agents and subcontractors, if any, maintain in any form and retain no copies of such information or, if such return or destruction is not feasible, extend the protections of this Agreement to the Protected Health Information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible, for so long as Manager maintains such Protected Health Information.

13.5 In the event either party violates any of its representations and warranties with respect to Protected Health Information, the other party may immediately terminate this Agreement if the party in violation has not taken corrective action within ten (10) days of written notice from the other party of such violation to provide reasonable assurance that such violation is not likely to occur again. In the event of such a termination by either party, the obligations of confidentiality set forth in this Agreement and the obligations concerning the use and return of Protected Health Information shall continue in full force and effect. If neither termination nor cure is feasible, the non-violative party shall report the violation to the Secretary of the Department of Health and Human Services of the United States of America.

13.6 In the event Manager destroys Protected Health Information pursuant to any provision of this Agreement, Manager shall provide written certification of each instance of destruction within ten (10) days of the date of destruction.

**14. Independent Contractor.** In the performance of its obligations under this Agreement, it is mutually understood and agreed that Manager is at all times acting and performing as an independent contractor with respect to Operator. Manager must exercise at all times its independent judgment and shall not be subject to direction, control, or supervision by Operator in the performance of the services which are the subject of this Agreement, except that Manager and persons acting on behalf of Manager shall be subject to the standards set forth in this Agreement. Nothing in this Agreement is intended, nor shall be it construed to create an employer/employee relationship, joint venture relationship, or a lease or landlord/tenant relationship. Neither Operator nor any of its employees, agents, or subcontractors shall have any claim under this Agreement or otherwise against Manager for workers' compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits,

unemployment insurance benefits, or any other benefits. Manager shall not withhold, or in any way be responsible for, the payment of any federal, state, or local income taxes, F.I.C.A. taxes, F.U.T.A. taxes, unemployment compensation or workers' compensation contributions, Social Security, or any other payments or withholdings pursuant to any law or requirement of any governmental body/agency on behalf of Operator or any of its employees, agents, or subcontractors, and all such withholdings, payments, or obligations shall be the sole responsibility of Operator. Operator shall indemnify, defend, and hold harmless Manager from any and all loss or liability arising with respect to such payments, withholdings, obligations, and benefits. In the event that the Internal Revenue Service ("IRS") or other governmental body/agency should question or challenge the independent contractor status of Manager, Manager shall have the right to participate in any discussion or negotiation occurring with the IRS or other such governmental body/agency, irrespective of by whom such discussions or negotiations were initiated. This Section shall survive the expiration or termination of this Agreement for any reason.

## **15. General Provisions.**

- 15.1 Cumulation of Remedies. Except as expressly provided herein, the various rights, options, elections, powers, and remedies of the respective parties hereto contained in, granted, or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right or priority allowed by law.
- 15.2 Attorneys' Fees. In the event that any action is brought by either party to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees incurred therein from the non-prevailing party, in addition to such other relief as the court may deem appropriate.
- 15.3 Notices. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been delivered to a party upon personal delivery to that party or: (i) one (1) business day following electronically confirmed delivery by facsimile transmission to the telephone number provided by the party for such purposes, if simultaneously mailed as provided herein; (ii) one (1) business day following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such services, with charges prepaid; or (iii) three (3) business days following deposit with the United States Postal Service, postage prepaid, and in any case addressed to the party's address set forth below, or to any other address that the party provides by notice, in accordance with this Section, to the other party:

If to Operator:                      Unity Psychiatric Services Clarksville, LLC  
    Attention: Administrator  
    930 Professional Park Drive  
    Clarksville, TN 37040

If to Manager:                        Tennessee Health Management, Inc.  
    Attention: Kelly Thomas, General Counsel  
    P.O. Box 10

Parsons, TN 38363  
Fax: 731-847-4201

- 15.4 Assignment. Operator shall not have the right or the power to assign this Agreement nor any of the rights or obligations inuring to or imposed upon it herein, and any attempted or purported assignment shall be null and void and of no effect.
- 15.5 Binding on Successors and Assigns. Notwithstanding anything to the contrary in this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permissible assigns.
- 15.6 No Third Party Rights. Nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the parties hereto.
- 15.7 Waiver. Any waiver of any term or condition of this Agreement must be in writing and signed by the parties. No delay or failure by either party to exercise any right or remedy it may have under this Agreement shall operate as a continuing waiver of such right or remedy, or prejudice such party's right to insist upon full compliance by the other party with the terms of this Agreement.
- 15.8 Headings. The headings contained in this Agreement are for convenience of reference only and shall in no way be held or deemed to be a part of or affect the interpretation of this Agreement.
- 15.9 Related Documents. All Related Documents referred to in this Agreement are incorporated herein by reference.
- 15.10 Severability. The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.
- 15.11 Entire Agreement. This Agreement and the Related Documents provided in connection herewith contain the sole and entire agreement between the parties regarding the subject matter hereof, and supersede any and all prior agreements between the parties. The parties acknowledge and agree that neither of them has made any representations with respect to the subject matter of this Agreement, or any representation inducing the execution and delivery hereof, except such representations as are specifically set forth and/or referenced herein, and each of the parties hereto acknowledges that it has relied on its own judgment in entering into the same.
- 15.12 Amendments. This Agreement may be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by each of the parties.
- 15.13 Governing Law. The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.



- 15.14 Continuing Obligations. Whether specifically identified or not, the obligations of the parties under this Agreement which by their nature or content would continue beyond the expiration or termination of this Agreement shall survive any expiration or termination of this Agreement.
- 15.15 Authority to Execute. Each party has been represented by counsel in the negotiation and execution of this Agreement. This Agreement was executed voluntarily without any duress or undue influence on the part of or on behalf of the parties hereto. The parties acknowledge they have read and understood this Agreement and its legal effect. Each party acknowledges it has had a reasonable opportunity to obtain independent legal counsel for advice and representation in connection with this Agreement. Each party further acknowledges that it is not relying on and it is not, for the purposes of the negotiation, execution and delivery of this Agreement, a client of the legal counsel employed by any other parties to this Agreement. Each of the undersigned represents and warrants that he/she has the authority to execute this Agreement on behalf of the respective party and that such action has been properly authorized.
- 15.16 Confidentiality. This Agreement is confidential and may only be disclosed to the parties hereto, government agencies, and the parties' insurance carriers, accountants, and lawyers, or as agreed upon by the parties hereto in writing, or as required by law. Each party shall treat all nonpublic information obtained as part of this engagement as confidential and shall not, without written authorization from the other party, release or share such information with any third party, except as may be required by law. Each party agrees that prior to reporting any actual or perceived violation of law to any governmental entity, even if required by law to do so, they will first discuss any potential legal or compliance matter with the other party and, unless otherwise required by law, provide the other party with an opportunity to investigate and appropriately report any compliance matter brought to its attention.
- 15.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.
- 15.18 Forum Selection. This Agreement has been negotiated and entered into and shall be performed on behalf of the Operator which is domiciled in the State of Tennessee, and shall be governed by and interpreted and construed in accordance with and pursuant to the laws of the State of Tennessee. Any action or proceeding between or against the parties hereto relating in any way to this Agreement, or the subject matter hereof, shall be brought and enforced exclusively in either the federal or state courts with jurisdiction for Decatur County, Tennessee, and the parties hereto consent to the exclusive jurisdiction of such court in respect of such action or proceeding.

IN WITNESS WHEREOF, the parties hereto have caused this Management Agreement to be duly executed and delivered by their respective duly elected and authorized officers as of the date first above written.

Operator:  
UNITY PSYCHIATRIC SERVICES CLARKSVILLE, LLC

By: \_\_\_\_\_  
\_\_\_\_\_  
Title: Administrator

Manager:  
TENNESSEE HEALTH MANAGEMENT, INC.

By: \_\_\_\_\_  
\_\_\_\_\_  
Title: Chief Executive Officer

**SECTION A: PROJECT DETAILS**  
**Attachment A-6A (Part 1)**

**Legal Interest in Site:**  
**Property Deed**

This instrument was prepared by Albert P. Marks of Marks, Shell & Maness, Dunbar Park, 233-A Dunbar Cave Road, P.O. Box 1149, Clarksville, TN 37041-1149.

NAME & ADDRESS OF PROPERTY OWNER:  
Clarksville Behavioral Facility, Inc.

PO Box 10  
Clarksville TN 38363

PERSON OR ENTITY RESPONSIBLE FOR THE  
PAYMENT OF THE REAL PROPERTY TAXES:  
Same as above.

**JOHNNY PIPER, ET UX**

**TO: CASH WARRANTY DEED**

**CLARKSVILLE BEHAVIORAL FACILITY, INC.**

FOR A VALUABLE CASH CONSIDERATION, this day in hand paid, the receipt of which is hereby acknowledged, JOHNNY PIPER and wife, DONITA PIPER, as GRANTORS, have bargained and sold and do hereby transfer and convey unto the GRANTEE, CLARKSVILLE BEHAVIORAL FACILITY, INC., a Tennessee corporation, its successors and assigns forever, the following described real estate, together with any and all improvements thereon, situated in the 6<sup>th</sup> Civil District of Montgomery County, Tennessee, and being designated as Tax Map and Parcel Nos. 40G-A-1 and 40G-A-2 on the maps of the Assessor of Property of Montgomery County, Tennessee, to-wit:

BEING Lot 6 of the replat of Lots 5 & 6, Clarksville Professional Park, Section 2, as shown by plat of record in Plat Book F, page 599, Register's Office, Montgomery County, Tennessee. (Reference is made to Plat Book F, page 427, of said Register's Office.)

This being a portion of the same real estate conveyed to Johnny Piper and wife, Donita Piper, by deed from Evelyn B. Gresham, Nell B. Cooper, Charley W. Cooper, Dan Cooper, and Linda C. Hazlett, of record in Volume 1105, page 2313, Register's Office for Montgomery County, Tennessee.



TO HAVE AND TO HOLD said real estate, together with any and all improvements thereon, unto the GRANTEE, CLARKSVILLE BEHAVIORAL FACILITY, INC., a Tennessee corporation, its successors and assigns forever.

SUBJECT to the terms, conditions, and matters as shown on the plat of record in Plat Book F, page 427, and replat of record in Plat Book F, page 599, both of said Register's Office, THE GRANTORS COVENANT that they are lawfully seized and possessed of said real estate, that they have a good and lawful right to convey the same, that it is unencumbered, and they will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

POSSESSION will be given upon delivery of this deed.

THE 2008 TAXES are to be prorated.

IN WITNESS WHEREOF, the GRANTORS have hereunto signed their names on this the 4<sup>th</sup> day of September, 2008.

  
JOHNNY PIPER  
  
DONITA PIPER

GRANTORS

STATE OF TENNESSEE  
COUNTY OF MONTGOMERY

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, JOHNNY PIPER and wife, DONITA PIPER, the within named bargainors, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

CAROL L. WILSON  
MY COMMISSION EXPIRES  
NOTARY PUBLIC AT LARGE  
FEBRUARY 18, 2010  
MONTGOMERY CO. TENN.

Witness my hand and seal, at office, on this the 4<sup>th</sup> day of September, 2008.

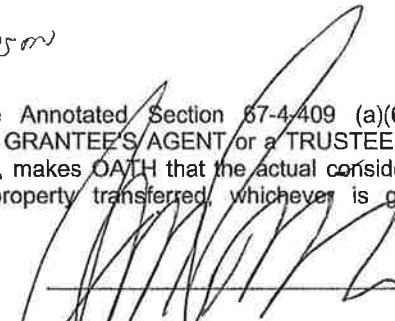


NOTARY PUBLIC

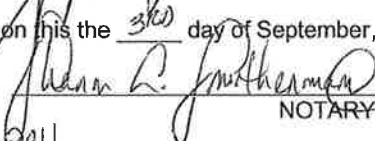
My Commission Expires: 2/18/10

STATE OF TENNESSEE  
COUNTY OF MONTGOMERY *Davidson*

Pursuant to Tennessee Code Annotated, Section 67-4-409 (a)(6)(A), the undersigned being the GRANTEE, the GRANTEE'S AGENT or a TRUSTEE acting for the GRANTEE, after being duly sworn, makes OATH that the actual consideration for this transfer or the value of the property transferred, whichever is greater, is \$975,000.00.

  
AFFIANT

Sworn and subscribed to before me on this the 3<sup>rd</sup> day of September, 2008.

  
NOTARY PUBLIC

My Commission Expires: January 3, 2011

SHARON L. SMOTHERMAN  
STATE OF TENNESSEE  
NOTARY PUBLIC  
DAVIDSON COUNTY, TENN.

Connie W. Bell, Register  
Montgomery County Tennessee  
Rec #: 176483 Instrument #: 796381  
Rec'd: 10.00 Recorded  
State: 3607.50 9/5/2008 at 9:03 AM  
Clerk: 1.00 in Volume  
EDP: 2.00 1245  
Total: 3620.50 Pgs 1641-1642

## SECTION A: PROJECT DETAILS

### Attachment A-6A (Part 2)

Legal Interest in Site:  
Option to Lease Agreement

## LEASE OPTION AGREEMENT

This LEASE OPTION AGREEMENT is made and entered into this 1<sup>st</sup> day of January, 2018 by and between Clarksville Behavioral Facility, Inc., a Tennessee corporation, ("Optionor") and Unity Psychiatric Services Clarksville, LLC, a Tennessee limited liability corporation, ("Optionee"), ("Agreement").

### RECITALS

WHEREAS, Optionee intends to file an Application for a Certificate of Need ("CON") with the Tennessee Health Services and Development Agency ("HSDA") permitting Optionee to establish and operate of a 48-bed mental health hospital ("Facility") located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County on a portion of a 3.15 acre parcel identified as Parcel ID 040G A 002.00 000 in the property records of Montgomery County, ("the Property"); and

WHEREAS, in the event Optionee's CON is approved by the HSDA, Optionor intends to lease the Property to Optionee for the operation of the Facility.

### AGREEMENT

NOW, THEREFORE, in consideration of the payment of the sum of \$1,000.00 (the "Option Price") by Optionee to Optionor and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. *Grant of option.* Optionor irrevocably grants to Optionee the exclusive option to lease from Optionor that certain real property and any improvements thereupon in Montgomery County, Tennessee, which is described in Exhibit A hereto (the "Property"). In the event Optionee's CON application is ultimately denied, this option shall be of no effect.
2. *Term.* This option shall continue in effect until fifteen (15) days following Optionee's receipt of written notice from the HSDA concerning its ruling on Optionee's CON application or, if applicable, the final appeal of such ruling (the "Option Closing Date"). This option shall automatically terminate, without notice to Optionee, at 5 p.m. on the Option Closing Date, if prior thereto Optionee shall not have exercised the within option. The exercise of this option must be by written notice sent to Optionor in the manner prescribed by paragraph 11 below before its expiration or termination.
3. *Failure to exercise option.* If Optionee shall fail to exercise the within option at any time herein permitted, Optionor shall retain the Option Price. This agreement shall thereupon terminate and neither party shall have any further rights or obligations hereunder.
4. *Exercise of option.* If Optionee's CON Application is approved and this option is exercised (in accordance with its terms), Optionor shall lease to Optionee and Optionee shall lease from Optionor the Property for an initial term and at a monthly rent as is subject to such terms and conditions contained in a lease agreement to be mutually prepared and agreed upon by

the parties prior to the Option Closing Date (the "Lease"). Optionee shall have an option to renew the Lease for additional term(s).

5. *Lease credits.* All amounts paid for this option shall be credited against the first month's rent under the Lease.

6. *Closing.* The closing of this transaction shall be at the offices of Optionor, 1971 Tennessee Avenue North, Parsons, TN 38363-5049 at 10 a.m. on the Option Closing Date provided that the option is exercised in accordance with the terms hereof

7. *Brokerage.* The parties warrant and represent to each other that no broker brought about, or participated in, this option or transaction. Optionee shall indemnify and hold Optionor harmless against all liabilities and expenses (including, without limitation, reasonable attorneys' fees) arising from any claims for brokerage on this transaction based on any act of Optionee. The warranties, representations and agreements contained in this paragraph shall survive any closing of the transaction contemplated by this option.

8. *Cumulation of Remedies.* Except as expressly provided herein, the various rights, options, elections, powers, and remedies of the respective parties hereto contained in, granted, or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any others, or of any right or priority allowed by law.

9. *Attorneys' Fees.* In the event that any action is brought by either party to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees incurred therein from the non-prevailing party, in addition to such other relief as the court may deem appropriate.

10. *Notices.* All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been delivered to a party upon personal delivery to that party or: (i) one (1) business day following electronically confirmed delivery by facsimile transmission to the telephone number provided by the party for such purposes, if simultaneously mailed as provided herein; (ii) one (1) business day following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such services, with charges prepaid; or (iii) three (3) business days following deposit with the United States Postal Service, postage prepaid, and in any case addressed to the party's address set forth below, or to any other address that the party provides by notice, in accordance with this Section, to the other party:

If to Optionee:                      Unity Psychiatric Services Clarksville, LLC  
Attn: President  
201 Jordan Road #200  
Franklin, Tennessee 37067-4495

If to Optionor:                      Clarksville Behavioral Facility, Inc.  
1971 Tennessee Avenue North  
Parsons, TN 38363-5049



11. *Assignment.* Neither party shall have the right or the power to assign this Agreement nor any of the rights or obligations inuring to or imposed upon it herein, and any attempted or purported assignment shall be null and void and of no effect.

12. *Binding on Successors and Assigns.* Notwithstanding anything to the contrary in this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permissible assigns.

13. *No Third Party Rights.* Nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the parties hereto.

14. *Waiver.* Any waiver of any term or condition of this Agreement must be in writing and signed by the parties. No delay or failure by either party to exercise any right or remedy it may have under this Agreement shall operate as a continuing waiver of such right or remedy, or prejudice such party's right to insist upon full compliance by the other party with the terms of this Agreement.

15. *Headings.* The headings contained in this Agreement are for convenience of reference only and shall in no way be held or deemed to be a part of or affect the interpretation of this Agreement.

16. *Severability.* The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

17. *Entire Agreement.* This Agreement contains the sole and entire agreement between the parties regarding the subject matter hereof, and supersede any and all prior agreements between the parties. The parties acknowledge and agree that neither of them has made any representations with respect to the subject matter of this Agreement, or any representation inducing the execution and delivery hereof, except such representations as are specifically set forth and/or referenced herein, and each of the parties hereto acknowledges that it has relied on its own judgment in entering into the same.

18. *Amendments.* This Agreement may be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by each of the parties.

19. *Governing Law.* The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

20. *Continuing Obligations.* Whether specifically identified or not, the obligations of the parties under this Agreement which by their nature or content would continue beyond the expiration or termination of this Agreement shall survive any expiration or termination of this Agreement.

21. *Authority to Execute.* Each party has been represented by counsel in the negotiation and execution of this Agreement. This Agreement was executed voluntarily without any duress or undue influence on the part of or on behalf of the parties hereto. The parties acknowledge they have read and understood this Agreement and its legal effect. Each party acknowledges it has

had a reasonable opportunity to obtain independent legal counsel for advice and representation in connection with this Agreement. Each party further acknowledges that it is not relying on and it is not, for the purposes of the negotiation, execution and delivery of this Agreement, a client of the legal counsel employed by any other parties to this Agreement. Each of the undersigned represents and warrants that he/she has the authority to execute this Agreement on behalf of the respective party and that such action has been properly authorized.

22. *Confidentiality.* This Agreement is confidential and may only be disclosed to the parties hereto, government agencies, and the parties' insurance carriers, accountants, and lawyers, or as agreed upon by the parties hereto in writing, or as required by law. Each party shall treat all nonpublic information obtained as part of this engagement as confidential and shall not, without written authorization from the other party, release or share such information with any third party, except as may be required by law. Each party agrees that prior to reporting any actual or perceived violation of law to any governmental entity, even if required by law to do so, they will first discuss any potential legal or compliance matter with the other party and, unless otherwise required by law, provide the other party with an opportunity to investigate and appropriately report any compliance matter brought to its attention.

23. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument.

24. *Time of essence.* Time is of the essence of this Agreement.

In witness whereof the parties hereto have executed and delivered this Agreement the day and year first above written.

<Signature pages to follow>

OPTIONOR:

Clarksville Behavioral Facility, Inc.

By: \_\_\_\_\_

Title:

OPTIONEE:

Unity Psychiatric Services Clarksville, LLC

By: \_\_\_\_\_

Title:

# SECTION A: PROJECT DETAILS

## Attachment A-6B-1 (a-d)

### Plot Plan

# Expansion Study

## First Floor Plan

1" = 16'

**Proposed Hospital Addition**  
48 Beds

Two Stories 27,743 SF

Total Parcel Size = 3.15 acres

**Existing Hospital**

CHESAPEAKE LANE (50' ROW)

S82°15'51"E 313.12'

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

20' PUDE

40' MSBL

JAMES WILLIAM BELL  
ORV. 837 PG. 2866  
ZONED C-2

N08°59'59"E 426.80'

+11 Spaces

24' 0"

+4 Spaces

14' 0"

AMBUANCE ENTRY

MAIN ENTRY

3 Spaces

20' 0"

5' SIDEWALK TYP.

9' 0"

9' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

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24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

24' 0"

PROFESSIONAL PARK DRIVE (60' ROW)

BENCH MARK  
FIRE HYDRANT BOLT  
N 81°52'4.3662  
E 159°49'2.8103  
E.L. 549.97

FIRE HYDRANT ASSEMBLY

550

550

550

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PROJECT NUMBER  
17724.00

DATE  
January 3, 2018

MP1  
First Floor Plan  
Expansion Study

AHC - Clarksville  
Clarksville, Tennessee

1000 Riverside Drive  
Nashville, TN 37204

Johnson Johnson  
Cahoon Architects

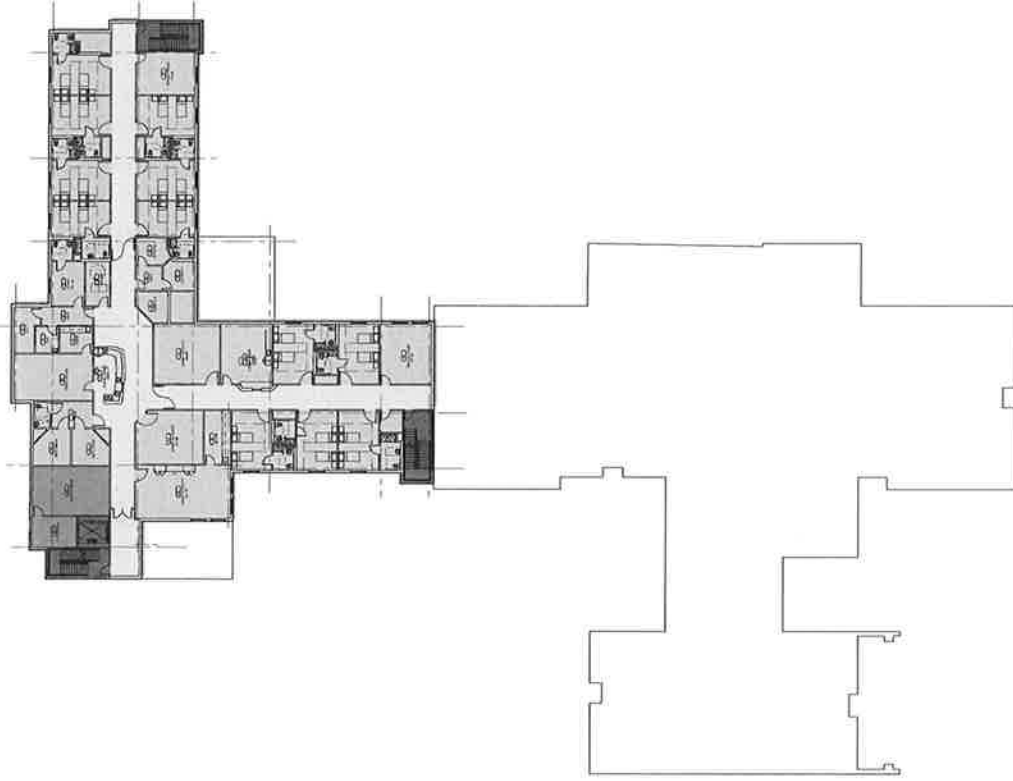
JJCA

# Expansion Study

## Second Floor Plan



0 5 10  
1/8" = 1'-0"



Johnson Johnson  
Architects  
655 Tennessee Drive  
Nashville, TN 37204  
Tel: 615.257.1000  
Fax: 615.257.1001

AHC - Clarksville  
Clarksville, Tennessee

PROJECT NUMBER  
17724.00  
DATE  
January 3, 2018

MP2  
Second Floor Plan  
Expansion Study

# SECTION A: PROJECT DETAILS

## Attachment A-6B-2

Floor Plan Drawing

## First Floor Plan



DOI	10.1017/S0008414X13000088
Printed in the United Kingdom	

MP3  
First Floor Plan  
Expansion Study

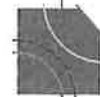
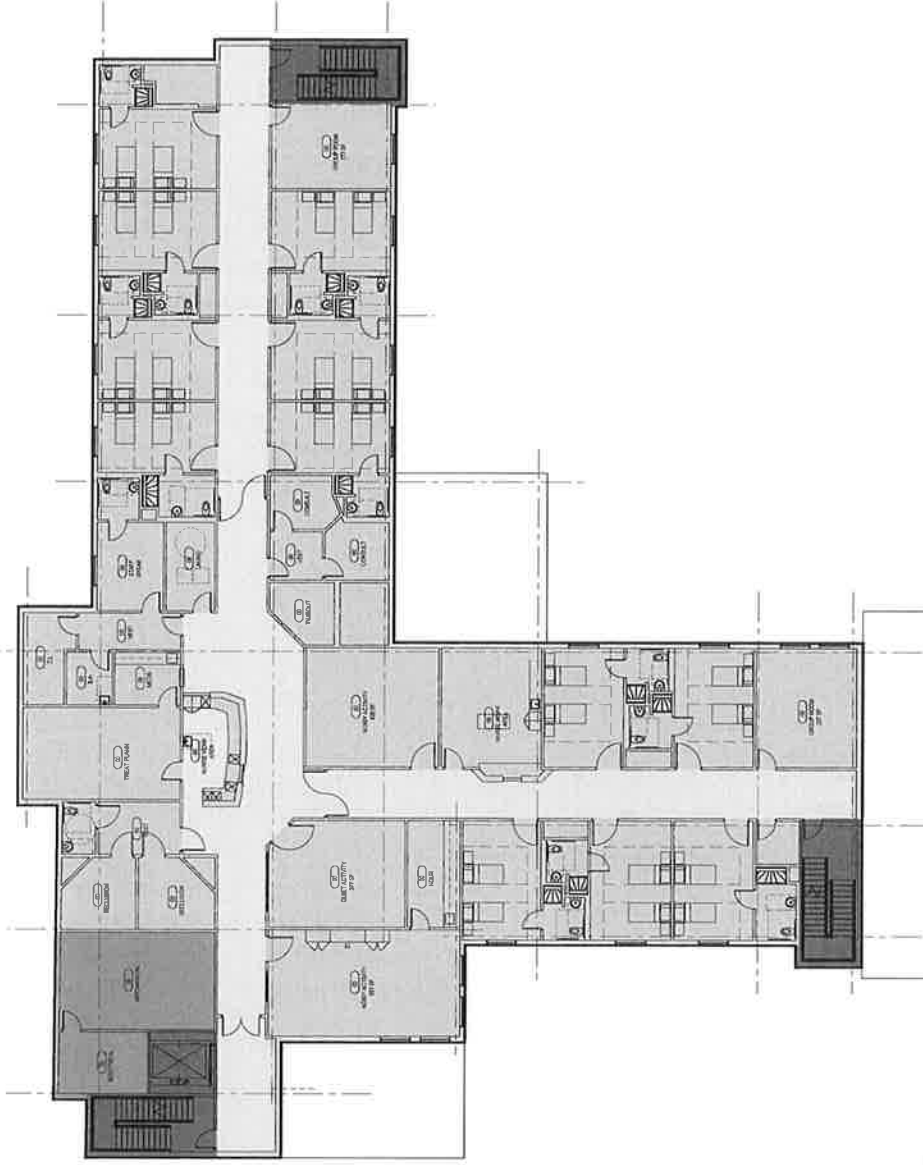


# Expansion Study

## Second Floor Plan



0' 6" 0' 6"



JJCA Johnson Johnson  
Architects  
651 Tennessee Ave.  
Nashville, TN 37204  
Tel: 615.257.5656  
Fax: 615.257.5657

AHC - Clarksville  
Clarksville, Tennessee

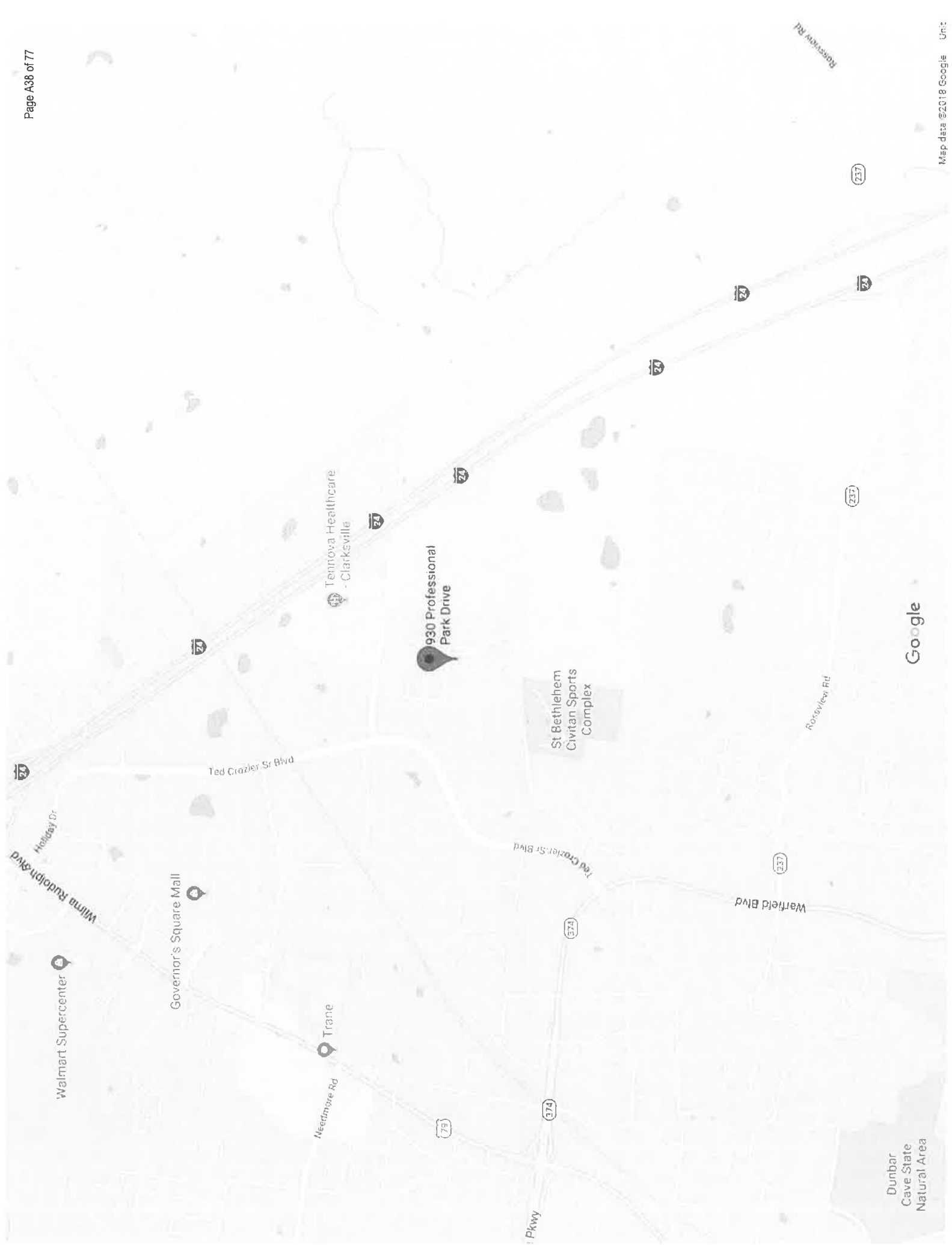
PROJECT NUMBER  
17724.00  
DATE  
January 10, 2018

MP4  
Second Floor Plan  
Expansion Study

## SECTION A: PROJECT DETAILS

### Attachment A-6B-3

#### Highway and Public Transportation Routes and Accessibility Information



## SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

### Attachment Section B – Need - A

#### Responses to and Discussion of Criteria and Standards in the State Health Plan

## STATE OF TENNESSEE STATE HEALTH PLAN CERTIFICATE OF NEED STANDARDS AND CRITERIA FOR PSYCHIATRIC INPATIENT SERVICES

The Health Services and Development Agency (HSDA) may consider the following standards and criteria for applications seeking to provide psychiatric inpatient services. Rationale statements are provided for standards to explain the Division of Health Planning's (Division) underlying reasoning and are meant to assist stakeholders in responding to these Standards and to assist the HSDA in its assessment of certificate of need (CON) applications. Existing providers of psychiatric inpatient services are not affected by these Standards and Criteria unless they take an action that requires a new CON for such services.

These Standards and Criteria are effective immediately upon approval and adoption by the Governor. However, applications to provide psychiatric inpatient services that are deemed complete by the HSDA prior to the approval and adoption of these Standards and Criteria shall be considered under the Guidelines for Growth, 2000 Edition.

The Certificate of Need Standards and Criteria serve to uphold the Five Principles for Achieving Better Health set forth by the State Health Plan. Utilizing the Five Principles for Achieving Better Health during the development of the CON Standards and Criteria ensures the protection and promotion of the health of the people of Tennessee. The State Health Plan's Five Principles for Achieving Better Health are as follows:

1. **Healthy Lives:** The purpose of the State Health Plan is to improve the health of people in Tennessee.
2. **Access:** People in Tennessee should have access to health care and the conditions to achieve optimal health.
3. **Economic Efficiencies:** Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging value and economic efficiencies.
4. **Quality of Care:** People in Tennessee should have confidence that the quality of care is continually monitored and standards are adhered to by providers.
5. **Workforce:** The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

### Definitions

**Psychiatric inpatient services:** Shall mean the provision of psychiatric and substance services to persons with a mental illness, serious emotional disturbance (children), or substance use diagnosis in a hospital setting, as defined in TCA 33-1-101(14); residential treatment services and crisis stabilization unit services are not included in this definition.

**Service Area:** The county or counties represented on an application as the reasonable area in which a psychiatric inpatient facility intends to provide services and/or in which the majority of its service recipients reside.

**Medical Detox:** The intensive 24 hour treatment for service recipients to systematically reduce or eliminate the amount of a toxic agent in the body until the signs and symptoms of withdrawal are resolved. Medical detoxification treatment requires medical and professional nursing services to manage withdrawal signs and symptoms.

This definition applies to general hospital beds, licensed by the Tennessee Department of Health (TDH), in a unit that provides psychiatric treatment services and/or substance use treatment services. These services are provided both while the patient is detoxed and after detox has occurred.

This definition applies to mental health hospital beds, licensed by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS), in a unit that provides psychiatric treatment services and/or substance use treatment services. These services are provided both while the patient is detoxed and after detox has occurred.

## Standards and Criteria

**1. Determination of Need:** The population-based estimate of the total need for psychiatric inpatient services is a guideline of 30 beds per 100,000 general population, using population estimates prepared by the TDH and applying the applicable data in the Joint Annual Report (JAR). These estimates represent gross bed need and shall be adjusted by subtracting the existing applicable staffed beds including certified beds in outstanding CONs operating in the area as counted by the TDH in the JAR. For adult programs, the age group of 18-64 years shall be used in calculating the estimated total number of beds needed; additionally, if an applicant proposes a geriatric psychiatric unit, the age range 65+ shall be used. For child inpatients, the age group is 12 and under, and if the program is for adolescents, the age group of 13-17 shall be used. The HSDA may take into consideration data provided by the applicant justifying the need for additional beds that would exceed the guideline of 30 beds per 100,000 general population. Special consideration may be given to applicants seeking to serve child, adolescent, and geriatric inpatients. Applicants may demonstrate limited access to services for these specific age groups that supports exceeding the guideline of 30 beds per 100,000 general population. An applicant seeking to exceed this guideline shall utilize TDH and TDMHSAS data to justify this projected need and support the request by addressing the factors listed under the criteria "Additional Factors".

**Rationale:** *Many communities in Tennessee have unique needs for inpatient psychiatric beds. The above formula functions as a "base criteria" that allows applicants to provide evidence supporting a need for a higher number of beds in the proposed service area. The HSDA may take into account all evidence provided and approve applications that request beds that exceed the 30 beds per 100,000 guideline when needed. An analysis of admissions and discharges by age category performed by the HSDA suggests there may be limited access for inpatients under the age of 18 and inpatients aged 65 and over. However, the applicable JAR form does not provide occupancy rates by age category. Health Planning believes developing determination of need formulas specific to each age category is not possible at this time due to these limitations in available data. The current need formula is to be utilized as a guideline allowing applicants the opportunity to apply to serve the unique needs of the intended service area.*

**RESPONSE:** The Applicant will meet this criteria. The proposed facility will be located in Clarksville, centrally located within Montgomery County. There are no adult psychiatric beds in Montgomery or its adjacent counties. Therefore, the Applicant anticipates the primary service area will be the four county area of Montgomery, Houston, Stewart, and Humphreys. Additionally, the Applicant anticipates that there will be additional admissions originating from parts of Dickson and Henry counties, and from parts of the Kentucky counties (Trigg, Christian, and Todd) to the north and west of Clarksville.

When the population-based estimate of the total need for psychiatric inpatient services of 30 beds per 100,000 general population, is applied to the population estimates of the four county service area, the projected need for adult inpatient psychiatric beds is 48 beds in the projected second year of the project, as illustrated in the chart below. When population from the secondary service area Tennessee counties is included, the need is calculated at 63 adult psychiatric beds. It is also notable that the need in Montgomery County continues to increase in successive years. Therefore, the existing need would far exceed the projected need for adult inpatient psychiatric beds in the service area. In addition as outlined below, the Applicant's project satisfies several additional criteria that the HSDA may take into account as evidence supporting the approval of applications, even when the request for beds exceeding the 30 beds per 100,000 guideline.

There are no existing adult inpatient psychiatric beds in the four counties of the primary service area. Henry County Medical Center, located in Paris, TN is licensed for a 22 bed unit, providing psychiatric services to adult and geriatric patients. However, that hospital is located approximately 70-90 miles away and 75 to 100 minutes driving time, depending on the route. Therefore, those beds are not readily accessible for the vast majority of the population of the Applicant's proposed service area.

2018								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	129,229	5,056	8,272	10,930	153,487	32,883	18,486	204,856
<i>Need Calculation Adult 18-64</i>	39	2	2	3	46	10	6	61
2019								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	131,487	5,069	8,280	10,909	155,745	33,092	18,388	207,225
<i>Need Calculation Adult 18-64</i>	39	2	2	3	47	10	6	62
2020								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	133,731	5,076	8,261	10,835	157,903	33,270	18,319	209,492
<i>Need Calculation Adult 18-64</i>	40	2	2	3	47	10	5	63
2021								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	135,603	5,063	8,220	10,789	159,675	33,414	18,235	211,324
<i>Need Calculation Adult 18-64</i>	41	2	2	3	48	10	5	63
2022								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	137,344	5,075	8,214	10,741	161,374	33,559	18,159	213,092
<i>Need Calculation Adult 18-64</i>	41	2	2	3	48	10	5	64
2023								
AGE / County	Montgomery	Houston	Stewart	Humphreys	Primary	Dickson	Henry	Total
18 - 64	139,160	5,072	8,206	10,691	163,129	33,583	18,050	214,762
<i>Need Calculation Adult 18-64</i>	42	2	2	3	49	10	5	64

**2. Additional Factors:** An applicant shall address the following factors:

- a. The willingness of the applicant to accept emergency involuntary and non-emergency indefinite admissions;

**RESPONSE:** The Applicant will meet this criteria. Once licensed and open, the hospital will apply, under Title-33, for licensure to accept emergency involuntary admissions of adult patients through our Psychiatric Intensive Care Unit ("PICU") for 24-hour evaluation and disposition to an appropriate level of inpatient or outpatient care. Patients deemed "not medically stable" will be sent to the Emergency Department at Tennova Healthcare, a 281 bed acute care hospital located at 651 Dunlop Lane, for medical evaluation. Tennova Healthcare Clarksville is located only .4 miles from the proposed building site for the adult psychiatric facility.

b. The extent to which the applicant serves or proposes to serve the TennCare population and the indigent population;

**RESPONSE:** The Applicant will meet this criteria. The applicant will provide psychiatric inpatient services for individuals covered by TennCare and will seek network contracts with the TennCare MCOs in the service area. The Applicant will also serve Tricare beneficiaries.

c. The number of beds designated as "specialty" beds (including units established to treat patients with specific diagnoses);

**RESPONSE:** The Applicant will meet this criteria. The proposed facility will include 10 specialty beds within a unit that the applicant has designated as a "Psychiatric Intensive Care Unit" or PICU. PICUs provide mental health care and treatment for people whose acute distress, absconding risk and suicidal or challenging behaviors needs a secure environment beyond that which can normally be provided on an open psychiatric ward. High staffing ratios allow for intensive input to resolve issues quickly. The PICU will provide care and treatment to inpatients who are experiencing the most acute phase of a mental illness, with the goal to manage and reduce the risks associated with acute episodes of mental illness. The PICU will be totally self-contained and secure and will be heavily staffed with well-trained individuals to care for this specialty population.

d. The ability of the applicant to provide a continuum of care such as outpatient, intensive outpatient treatment (IOP), partial hospitalization, or refer to providers that do;

**RESPONSE:** The applicant does not plan to immediately provide outpatient services, as the focus will be on establishing the inpatient program. However, it does plan to provide these services once the inpatient operations are stable. Prior to initiating those outpatient services, the Facility will have enter into agreements with local providers of outpatient services. The Applicant has already been in conversation two other psychiatric service providers (Wellness Solutions and Mental Health Cooperative) who also provide outpatient psychiatric services and are very supportive of the proposed project. Please see the support letters from each included with the Application.

e. Psychiatric units for patients with intellectual disabilities;

**RESPONSE:** All admitted patients must be able to participate in, and benefit from, the applicant's treatment programs. The applicant will not have a separate unit for patients with intellectual disabilities.

f. Free standing psychiatric facility transfer agreements with medical inpatient facilities;

**RESPONSE:** The Applicant will meet this criteria. The proposed hospital will have will have facility transfer agreements with Tennova Clarksville, a 281-bed tertiary acute care hospital located less than one-half mile from the applicant's proposed location. The acute-care hospital will provide emergency services, specialty medical evaluations and treatment, and additional medical back-up as needed.

g. The willingness of the provider to provide inpatient psychiatric services to all populations (including those requiring hospitalization on an involuntary basis, individuals with co-occurring substance use disorders, and patients with comorbid medical conditions); and

**RESPONSE:** The Applicant will meet this criteria. The proposed hospital will provide inpatient psychiatric services to all patients who meet its admission criteria. Prior to opening, the applicant will apply with the State of Tennessee for the ability to accept, and treat, involuntary patients. The applicant will accept dual-diagnosis patients (i.e. those with mental illness and a comorbid substance abuse problem), as well as those mental health patients with comorbid medical conditions. The hospital will, however, require that any patients with comorbid medical conditions are medically stable at the time of admission.



h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

**RESPONSE:** The Applicant's staffing plan (which is outlined in detail as Section B), will align with core staffing patterns that are recommended and/or required by the requirements of Joint Commission standards and the regulations of the Centers for Medicare and Medicaid Services (CMS). Because the Facility is not in existence, data demonstrating how the staffing patterns correspond to actual patient acuity is not available. Upon opening, the Applicant will monitor and evaluate staffing and ratios and FTEs will be promptly adjusted based on the patient acuity of admitted patients. This oversight will ensure effective patient treatment, as well as patient and staff safety. In addition to the regular full-time nursing staff, it is the Applicant's intention to develop a robust pool of PRN staff to meet any crisis situation.

i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

**RESPONSE:** This criteria is not applicable to the Applicant.

j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

**RESPONSE:** The Applicant will meet this criteria. There is no crisis stabilization unit available in the proposed primary nor secondary service area. The closest crisis stabilization unit is located 45.2 miles away from the proposed facility location. The Mental Health Cooperative operates a walk-in crisis stabilization unit at 275 Cumberland Bend, Nashville, TN 37228. There are mobile crisis services available within the service area.

**3. Incidence and Prevalence:** The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

**Rationale:** *The rate of incidence and prevalence of mental illness in the service area may indicate a need for a higher number of psychiatric inpatient beds in the designated area.*

**RESPONSE:** There is no data source, beyond the established need formula, that the Applicant has available to use to project need for inpatient psychiatric beds in any more detailed fashion. The Applicant consulted with Tennessee Department of Mental Health and Substance Abuse (TDMHSAS) planning staff who confirmed that no such source is available.

Statistics available from TDMHSAS for the Region 5, which includes all of the proposed service areas counties indicates the following incidence and prevalence trends:

Any Mental Illness in the Past Year		Region 5 Count	Region 5 Percent
18+	(2012-2014)	235,075	20.6%
18-25	(2012-2014)	32,791	20.9%
26+	(2012-2014)	202,249	20.6%

Had at Least One Major Depressive Episode in the Past Year	Region 5 Count	Region 5 Percent
18+ (2012-2014)	79,854	7.0%
18-25 (2012-2014)	13,834	8.8%
26+ (2012-2014)	65,929	6.7%

Dependence or Abuse of Illicit Drugs or Alcohol in the Past Year	Region 5 Count	Region 5 Percent
18+ (2012-2014)	18,357	7.5%
18-25 (2012-2014)	6,662	16.7%
26+ (2012-2014)	12,246	5.9%

Had Serious Thoughts of Suicide in the Past Year	Region 5 Count	Region 5 Percent
18+ (2012-2014)	9,984	4.4%
18-25 (2012-2014)	3,051	8.1%
26+ (2012-2014)	7,171	3.8%

Dependence or Abuse of Illicit Drugs or Alcohol in the Past Year	Region 5 Count	Region 5 Percent
18+ (2012-2014)	84,841	7.5%
18-25 (2012-2014)	26,174	16.7%
26+ (2012-2014)	58,236	5.9%

Had Serious Thoughts of Suicide in the Past Year	Region 5 Count	Region 5 Percent
18+ (2012-2014)	50,022	4.4%
18-25 (2012-2014)	12,741	8.1%
26+ (2012-2014)	37,112	3.8%

Source: Behavioral Health Prevalence Dashboard (at <https://www.tn.gov/behavioral-health/research/data--research--and-planning/county-and-regional-behavioral-health-prevalence-dashboard.html> )

**4. Planning Horizon:** The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

**Rationale:** The Division believes that projecting need two years into the future is more likely to accurately reflect the coming trends and less likely to overstate potential future need.

**RESPONSE:** As noted in question #1, the projected need for adult inpatient psychiatric beds is 48 beds (primary) and 63 beds (primary and secondary) within the first two years of opening of the project. There are no existing adult inpatient psychiatric beds in the service area.

**5. Establishment of Service Area:** The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may

also include information on patient origination and geography and transportation lines that may inform the determination of need for additional services in the region.

Applicants should be aware of the Bureau of TennCare's access requirement table, found under "Access to Behavioral Health Services" on pages 93-94 at <http://www.tn.gov/assets/entities/tenncare/attachments/operationalprotocol.pdf>.

**Rationale:** *In many cases it is likely that a proposed psychiatric facility's service area could draw more significantly from only a portion of a county. When available, the Division would encourage the use of sub-county level data that are available to the general public (including utilization, demographic, etc.) to better inform the HSDA in making its decisions. Because psychiatric patients often select a facility based on the proximity of caregivers and family members, as well as the proximity of the facility, factors other than travel time may be considered by the HSDA. Additionally, geography and transportation lines may limit access to services and necessitate the availability of additional psychiatric inpatient beds in specific service areas.*

**RESPONSE:** The Applicant will meet this criteria. The service area of the proposed facility will be a four county primary service area consisting of Montgomery, Stewart, Houston and Humphreys counties, with a secondary services area of portions of Dickson and Henry counties. The proposed facility will be located in Clarksville in Montgomery County. These counties were chosen based on the Applicant's projection of likely patient volume. These counties also represent those counties of origin for the highest percentage of patients admitted to the currently operating BHC-Clarksville geriatric psychiatric hospital. Additionally, the Applicant expects to serve additional patients from the Kentucky counties of Christian, Trigg, and Todd County because the proposed facility is only 7 miles from the Kentucky state line.

There are no facilities in the proposed service Tennessee area that currently provide needed inpatient adult acute psychiatric hospitalization. There also is no private inpatient mental health hospital in that three county area of Kentucky; however Western State Hospital operates in Hopkinsville, KY and is one of four state-operated or state-supported acute psychiatric facilities in Kentucky.

The majority of the service area will be within one hour of the proposed hospital. The Applicant is aware of and will meet the TennCare guideline noted that travel distance does not exceed 90 miles for at least 90% of its patients /TennCare members.

**6. Composition of Services:** Inpatient hospital services that provide only substance use services shall be considered separately from psychiatric services in a CON application; inpatient hospital services that address co-occurring substance use/mental health needs shall be considered collectively with psychiatric services. Providers shall also take into account concerns of special populations (including, e.g., supervision of adolescents, specialized geriatric, and patients with comorbid medical conditions).

The composition of population served, mix of populations, and charity care are often affected by status of insurance, TennCare, Medicare, or TriCare; additionally, some facilities are eligible for Disproportionate Share Hospital payments based on the amount of charity care provided, while others are not. Such considerations may also result in a prescribed length of stay.

**Rationale:** *Because patients with psychiatric conditions often experience co-morbid conditions, it is important that providers be capable of addressing such patients' potential medical needs. The accessibility of psychiatric services to various populations and for appropriate lengths of stay are important considerations for the HSDA when reviewing psychiatric inpatient services applications.*

**RESPONSE:** The Applicant will meet this criteria. The proposed hospital will provide inpatient psychiatric services to all patients who meet its admission criteria. Prior to opening, the applicant will apply with the State of Tennessee for the ability to accept, and treat, involuntary patients. The applicant will accept dual-

diagnosis patients (i.e. those with mental illness and a comorbid substance abuse problem), as well as those mental health patients with comorbid medical conditions.

**7. Patient Age Categorization:** Patients should generally be categorized as children (0-12), adolescents (13-17), adults (18-64), or geriatrics (65+). While an adult inpatient psychiatric service can appropriately serve adults of any age, an applicant shall indicate if they plan to only serve a portion of the adult population so that the determination of need may be based on that age-limited population. Applicants shall be clear regarding the age range they intend to serve; given the small number of hospitals who serve younger children (12 and under), special consideration shall be given to applicants serving this age group. Applicants shall specify how patient care will be specialized in order to appropriately care for the chosen patient category.

*Rationale: Based on stakeholder input, the Division has categorized the patient population into children, adolescents, adults, and geriatric. Each age category may require unique care.*

**RESPONSE:** The Applicant will meet this criteria. The proposed hospital will provide inpatient psychiatric services to patients who meet its admission criteria in the 18-64 age range. Complimentary geriatric psychiatric inpatient services are provided at another facility adjacent to the proposed hospital.

**8. Services to High-Need Populations:** Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including patients who are involuntarily committed, uninsured, or low-income.

**RESPONSE:** The Applicant will meet this criteria. The Applicant intends to accept dual-diagnosis patients, TennCare and Tricare patients, and patients who are involuntarily admitted to the proposed facility.

**9. Relationship to Existing Applicable Plans; Underserved Area and Populations:** The proposal's relationships to underserved geographic areas and underserved population groups shall also be a significant consideration. The impact of the proposal on similar services in the community supported by state appropriations shall be assessed and considered; the applicant's proposal as to whether or not the facility takes voluntary and/or involuntary admissions, and whether the facility serves acute and/or long-term patients, shall also be assessed and considered. The degree of projected financial participation in the Medicare and TennCare programs shall be considered.

**Relationship to Existing Similar Services in the Area:** The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall also include how the applicant's services may differ from existing services (e.g., specialized treatment of an age-limited group, acceptance of involuntary admissions, and differentiation by payor mix). Accessibility to specific special need groups shall also be discussed in the application.

*Rationale: Based on stakeholder input, a number of factors, including occupancy, shall be considered in the context of general utilization trends. Additionally, several factors may be necessary to consider when determining occupancy including staffed beds verses licensed beds, the target patient population, and the operation of specialty units.*

**RESPONSE:** The Applicant's project will significantly improve mental health services in the proposed service area. Currently, citizens in those counties are not simply underserved, they are not at all served in their communities because there are no adult psychiatric beds. Those needing adult inpatient psychiatric service are forced into a long drive from the Clarksville and surrounding area down I-24 to Nashville. Given traffic patterns to get into the greater Nashville area on this route, the drive can take anywhere from 45 minutes to likely 2 hours.

As mentioned in the justification for approval, the lack of orderly and efficient mental health care is evidenced by changes made by the acute care hospital in Clarksville. Recently, in an attempt to do something to handle the influx of the mental health population to its emergency department, Tennova Clarksville converted seven general ER beds to a type of short-term psychiatric "holding" emergency bed to accommodate those patients until out of county placement can be found. However, the individuals in those beds are not optimally provided with mental health care because there is no clinical programming provided and those beds are simply used to hold patients until an inpatient psychiatric admission can be completed.

The hospital will focus on short-term acute psychiatric care. The hospital will participate in both Medicare and TennCare/Medicaid and Tricare, and will therefore serve an underserved and in some cases indigent individuals.

**10. Expansion of Established Facility:** Applicants seeking to add beds to an existing facility shall provide documentation detailing the sustainability of the existing facility. This documentation shall include financials, and utilization rates. A facility seeking approval for expansion should have maintained an occupancy rate for all licensed beds of at least 80 percent for the previous year. The HSDA may take into consideration evidence provided by the applicant supporting the need for the expansion or addition of services without the applicant meeting the 80 percent threshold. Additionally, the applicant shall provide evidence that the existing facility was built and operates, in terms of plans, service area, and populations served, in accordance with the original project proposal.

*Rationale: Based on stakeholder input, the implementation of an 80 percent threshold for the approval may serve as an indicator of economic feasibility for the expansion of the facility. The 80 percent occupancy requirement may limit an applicant's ability to add specialty services that require separation from other units. Examples include geriatric psychiatry, services for patients with co-occurring mental health needs and substance use disorders. Additionally, the majority of the programs in the state are currently operating under this threshold. The communities these programs serve may have needs that require an expansion of services. An applicant may provide evidence of the economic feasibility of expansion despite not operating at or above 80 percent of capacity.*

**RESPONSE:** The criteria is not applicable to the Applicant because a new facility is proposed.

**11. Licensure and Quality Considerations:** Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH and/or the TDMHSAS. The applicant shall also demonstrate its accreditation status with the Joint Commission, the Commission on Accreditation of Rehabilitation Facilities (CARF), or other applicable accrediting agency. Such compliance shall provide assurances that applicants are making appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems, and children who need quiet space). Applicants shall also make appropriate accommodations so that patients are separated by gender in regards to sleeping as well as bathing arrangements. Additionally, the applicant shall indicate how it would provide culturally competent services in the service area (e.g., for veterans, the Hispanic population, and LGBT population).

**RESPONSE:** Males and females will be housed in separate double rooms (2 same-sex patients to a room) with 1 private bathroom per room. Higher acuity patients, of either sex, will not have a roommate until the clinical staff feels it would be therapeutic, and will be placed in rooms closest to the Nursing Stations. Depending on patient census, dining may be done in two (2) shifts to further accommodate gender-specific needs. The applicant's facility will treat all patients equally and with respect. Ft. Campbell, KY, is located close to the proposed facility location. The applicant will contact the appropriate authorities at the military base to determine how the facility can best treat their active members and local veterans. For these potential patients, the Facility will recruit therapeutic staff that have specific training in treating PTSD and

will provide training for all staff on this condition. Any non-English speaking patients will be provided with translation services. Every effort will be taken to hire staff that is proficient in Spanish. Any LGBTQ patients who disclose their preferences, or if they are discovered, will be evaluated by the Facility's Social Services Director to determine appropriate housing accommodations. In most instances, these individuals would be the only occupant in the patient bedroom/bathroom.

**12. Institution for Mental Disease Classification:** It shall also be taken into consideration whether the facility is or will be classified as an Institution for Mental Disease (IMD). The criteria and formula involve not just the total number of beds, but the average daily census (ADC) of the inpatient psychiatric beds in relation to the ADC of the facility. When a facility is classified as an IMD, the cost of patient care for Bureau of TennCare enrollees aged 21-64 will be reimbursed using 100 percent state funds, with no matching federal funds provided; consequently, this potential impact shall be addressed in any CON application for inpatient psychiatric beds.

**RESPONSE:** It is the Applicant's understanding the as a free standing psychiatric facility, the hospital would be classified as an Institution for Mental Disease (IMD). However, it is also the Applicant's understanding that because Tennessee's Medicaid program is under a managed Medicaid waiver, the hospital would be exempt from the IMD exclusion

**13. Continuum of Care:** Free standing inpatient psychiatric facilities typically provide only basic acute medical care following admission. This practice has been reinforced by Tenn. Code Ann. § 33-4-104, which requires treatment at a hospital or by a physician for a physical disorder prior to admission if the disorder requires immediate medical care and the admitting facility cannot appropriately provide the medical care. It is essential, whether prior to admission or during admission, that a process be in place to provide for or to allow referral for appropriate and adequate medical care. However, it is not effective, appropriate, or efficient to provide the complete array of medical services in an inpatient psychiatric setting.

**RESPONSE:** The Applicant will meet this criteria. The proposed hospital will be focused on providing limited psychiatric services to individuals with mental health needs. The proposed hospital will provide only appropriate and limited medical care upon admission. Patients with additional medical needs will be referred to medical staff of Tennova Clarksville, which is less than one-half mile from the proposed facility, or to medical staff at another facility of the patient's choice.

The Applicant's hospital will be able to provide medical care regarding laboratory, x-rays and diagnostic procedures via outside contract services. The hospital will also have a Medical Consultant on staff to provide medical coverage for patients. If a patient requires acute medical services or emergency medical treatment, the hospital has the following policy to ensure patients receive the required treatment.

1. If the patient comes to the hospital and has an emergency psychiatric condition, the hospital must provide either (a) further medical examination and treatment, including hospitalization, if necessary, as required to stabilize the psychiatric condition within the capabilities of the staff and facilities available at the hospital; or (b) transfer to another more appropriate or specialized facility. The Staff are directed to call 911 for immediate/emergency services and transfer.
2. If the Facility offers to transfer a patient to another facility and informs the patient or the legally responsible person of the risks and benefits to the person of the transfer but the patient or the person acting on the patient's behalf refuses to consent to the transfer, the Facility must take all reasonable steps to secure a written refusal from the patient or the person acting on the patient's behalf. The written refusal indicates the person has been informed of the risk and benefits of the transfer and states the reasons for such refusal. The patient's medical record must contain a description of the proposed transfer that was refused by the patient or the person acting on the patient's behalf.

3. A transfer to another facility is appropriate only in those cases in which:
  - a) The facility provides psychiatric medical treatment within its capabilities that minimizes the risks to the individual's health
  - b) The receiving facility has available space and qualified personnel for the treatment of the individual and had agreed to accept transfer and to provide appropriate treatment.
  - c) The facility sends to the receiving facility all medical records related to the emergency condition which the individual has presented that are available at the time of transfer, including available history, records related to the individual's emergency medical condition, observations of signs or symptoms, preliminary diagnosis, results of diagnostic studies or telephone reports of the studies, treatment provided, results of any tests and the informed written consent or written certification as required. This documentation must also include the name and address of any on-call practitioner who has refused or failed to appear within a reasonable time to provide necessary stabilizing treatment. Other records (i.e. test results not yet available from the transferring hospital at the time of the patient transfer) must be sent as soon as practical after such transfer. Records must accompany the patient whether or not the patient's emergency medical condition is stabilized.
  - d) The transfer is affected through qualified personnel and transportation equipment, as required, including the use of necessary and medically appropriate life support measures during the transfer.
4. The physician at the facility has the responsibility to determine appropriate mode of transportation, equipment and attends the necessary to affect a transfer to a receiving recipient facility.

**14. Data Usage:** The TDH and the TDMHSAS data on the current supply and utilization of licensed and CON-approved psychiatric inpatient beds shall be the data sources employed hereunder, unless otherwise noted. The TDMHSAS and the TDH Division of Health Licensure and Regulation have data on the current number of licensed beds. The applicable TDH JAR provides data on the number of beds in operation. Applicants should utilize data from both sources in order to provide an accurate bed inventory.

*Rationale: Using these sources for data is the only way to ensure consistency across the evaluation of all applications. Data provided by the TDH and the TDMHSAS shall be relied upon as the primary sources of data for CON psychiatric inpatient services applications. Each data source has specific caveats. Requiring the use of both licensed beds and operating beds will provide a more comprehensive bed inventory analysis.*

**RESPONSE:** The Applicant will meet this criteria. The Applicant has obtained and used factual and statistical data for this application from the Tennessee Department of Health's most current county-level population projections, Licensure reports, and Joint Annual Reports, and from public data available from the TDMHSAS. Any other sources where data has been obtained are footnoted in the application.

**15. Adequate Staffing:** An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. Each applicant shall outline planned staffing patterns including the number and type of physicians. Additionally, the applicant shall address what kinds of shifts are intended to be utilized (e.g., 8 hour, 12 hour, or Baylor plan). Each unit is required to be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times. This staffing level is the minimum necessary to provide safe

care. The applicant shall state how the proposed staffing plan will lead to quality care of the patient population served by the project.

However, when considering applications for expansions of existing facilities, the HSDA may determine whether the existing facility's staff would continue without significant change and thus would be sufficient to meet this standard without a demonstration of efforts to recruit new staff.

**RESPONSE:** The Applicant will meet this criteria. The Applicant's Human Resources team will perform all of the required recruiting, initial competencies and training for staff members. A detailed projected staffing matrix is attached portion of Section B.

The Applicant will employ as the primary physician leader a Board Certified, Adult and Chemical Dependency Psychiatrist. Further, there will be a back-up psychiatrist. There will be a Consulting Registered Dietician and a full-time LCSW on staff as the Director of Social Services. Additional social worker staff and mental health support workers will also be recruited to provide therapeutic groups and activities. The Applicant will use 12-hour shifts for all direct patient care staff. The proposed staffing plan will lead to quality care of the patient population served by the project because trained and monitored nursing staff, in numbers based on patient acuity will be employed to ensure exemplary patient care and patient safety.

**16. Community Linkage Plan:** The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care (e.g., agreements between freestanding psychiatric facilities and acute care hospitals, linkages with providers of outpatient, intensive outpatient, and/or partial hospitalization services). If they are provided, letters from providers (e.g., physicians, mobile crisis teams, and/or managed care organizations) in support of an application shall detail specific instances of unmet need for psychiatric inpatient services. The applicant is encouraged to include primary prevention initiatives in the community linkage plan that would address risk factors leading to the increased likelihood of Inpatient Psychiatric Bed usage.

*Rationale: The Division recognizes that participation in community linkage plans is an important element in the provision of quality psychiatric inpatient services; therefore, it is important for applicants to demonstrate such connections with other community providers. The 2014 update to the State Health Plan moved from a primary emphasis of health care to an emphasis on "health protection and promotion". The development of primary prevention initiatives for the community advances the mission of the State Health Plan.*

**RESPONSE:** Please see the attached letters of support at the end of the application explaining the need for the project. The Applicant intends to coordinate with all providers of mental health services in the area to improve not only the access to inpatient services, but also the coordinate between the continuum of care from acute hospital to outpatient community based psychiatric care.

**17. Access:** The applicant must demonstrate an ability and willingness to serve equally all of the patients related to the application of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed service area.

**RESPONSE:** The Applicant will meet this criteria. The proposed service area currently has no adult inpatient psychiatric beds for individuals who need acute inpatient psychiatric care. The bed need methodology clearly indicates the need for the 48 bed proposed mental health hospital.



**18. Quality Control and Monitoring:** The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system. An applicant that owns or administers other psychiatric facilities shall provide information on their surveys and their quality improvement programs at those facilities, whether they are located in Tennessee or not.

*Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.*

**RESPONSE:** The Applicant hospital will have data reporting for both internal and external purposes. The indicators will be set per CMS and are currently based on restraint usage, justification for anti-psychotic/discharge status, comfort measures, alcohol usage, tobacco usage, tobacco usage, influenza vaccination, transition of care, diagnosis coding and metabolic screening. The Risk Manager will complete the following documentation on each patient. This information is then submitted to a 3rd party contract service that will review and then send to CMS.

Attached to the response are improvement initiatives templates, which are based off of tools used in the other BHC geropsychiatric facilities. These goals will be set at the first of the year and measured each month. Both quality measures and performance indicators have tools and benchmarks. A monthly report will be kept on each indicator along with a dashboard. This data is shared with the corporate consultants on a monthly basis and the medical staff on a quarterly basis.

**19. Data Requirements:** Applicants shall agree to provide the TDH, the TDMHSAS, and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

**RESPONSE:** The Applicant will met this criteria and provide all reasonably requested information.

## SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

Attachment Section B – Need – E  
(Hospital JAR Admission Data)

## Skyline 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
1	Anderson	6	32	0.15%	0.12%	0.15%	0.11%
2	Bedford	38	241	0.95%	0.88%	0.92%	0.85%
3	Benton	3	34	0.08%	0.12%	0.07%	0.12%
4	Bledsoe	-	-	0.00%	0.00%	0.00%	0.00%
5	Blount	7	54	0.18%	0.20%	0.17%	0.19%
6	Bradley	3	27	0.08%	0.10%	0.07%	0.10%
7	Campbell	-	-	0.00%	0.00%	0.00%	0.00%
8	Cannon	9	64	0.23%	0.23%	0.22%	0.23%
9	Carroll	2	16	0.05%	0.06%	0.05%	0.06%
10	Carter	1	6	0.03%	0.02%	0.02%	0.02%
11	Cheatham	100	740	2.51%	2.70%	2.43%	2.61%
12	Chester	-	-	0.00%	0.00%	0.00%	0.00%
13	Claiborne	-	-	0.00%	0.00%	0.00%	0.00%
14	Clay	3	19	0.08%	0.07%	0.07%	0.07%
15	Cocke	1	4	0.03%	0.01%	0.02%	0.01%
16	Coffee	29	229	0.73%	0.83%	0.70%	0.81%
17	Crockett	-	-	0.00%	0.00%	0.00%	0.00%
18	Cumberland	21	155	0.53%	0.56%	0.51%	0.55%
19	Davidson	1,475	10,194	36.96%	37.14%	35.84%	35.96%
20	Decatur	-	-	0.00%	0.00%	0.00%	0.00%
21	DeKalb	19	116	0.48%	0.42%	0.46%	0.41%
22	Dickson	131	849	3.28%	3.09%	3.18%	2.99%
23	Dyer	2	15	0.05%	0.05%	0.05%	0.05%
24	Fayette	-	-	0.00%	0.00%	0.00%	0.00%
25	Fentress	4	29	0.10%	0.11%	0.10%	0.10%
26	Franklin	15	113	0.38%	0.41%	0.36%	0.40%
27	Gibson	3	29	0.08%	0.11%	0.07%	0.10%
28	Giles	27	169	0.68%	0.62%	0.66%	0.60%
29	Grainger	1	12	0.03%	0.04%	0.02%	0.04%
30	Greene	2	20	0.05%	0.07%	0.05%	0.07%
31	Grundy	4	33	0.10%	0.12%	0.10%	0.12%
32	Hamblen	3	29	0.08%	0.11%	0.07%	0.10%
33	Hamilton	9	67	0.23%	0.24%	0.22%	0.24%
34	Hancock	-	-	0.00%	0.00%	0.00%	0.00%
35	Hardeman	-	-	0.00%	0.00%	0.00%	0.00%
36	Hardin	1	8	0.03%	0.03%	0.02%	0.03%
37	Hawkins	1	8	0.03%	0.03%	0.02%	0.03%
38	Haywood	-	-	0.00%	0.00%	0.00%	0.00%
39	Henderson	-	-	0.00%	0.00%	0.00%	0.00%

## Skyline 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
40	Henry	7	37	0.18%	0.13%	0.17%	0.13%
41	Hickman	41	310	1.03%	1.13%	1.00%	1.09%
42	Houston	5	34	0.13%	0.12%	0.12%	0.12%
43	Humphreys	22	153	0.55%	0.56%	0.53%	0.54%
44	Jackson	7	50	0.18%	0.18%	0.17%	0.18%
45	Jefferson	3	26	0.08%	0.09%	0.07%	0.09%
46	Johnson	-	-	0.00%	0.00%	0.00%	0.00%
47	Knox	21	128	0.53%	0.47%	0.51%	0.45%
48	Lake	-	-	0.00%	0.00%	0.00%	0.00%
49	Lauderdale	-	-	0.00%	0.00%	0.00%	0.00%
50	Lawrence	74	531	1.85%	1.93%	1.80%	1.87%
51	Lewis	7	42	0.18%	0.15%	0.17%	0.15%
52	Lincoln	14	83	0.35%	0.30%	0.34%	0.29%
53	Loudon	2	17	0.05%	0.06%	0.05%	0.06%
54	McMinn	5	38	0.13%	0.14%	0.12%	0.13%
55	McNairy	1	12	0.03%	0.04%	0.02%	0.04%
56	Macon	36	205	0.90%	0.75%	0.87%	0.72%
57	Madison	4	22	0.10%	0.08%	0.10%	0.08%
58	Marion	1	21	0.03%	0.08%	0.02%	0.07%
59	Marshall	21	137	0.53%	0.50%	0.51%	0.48%
60	Maurry	93	671	2.33%	2.44%	2.26%	2.37%
61	Meigs	-	-	0.00%	0.00%	0.00%	0.00%
62	Monroe	3	14	0.08%	0.05%	0.07%	0.05%
63	Montgomery	357	2,359	8.95%	8.59%	8.67%	8.32%
64	Moore	-	-	0.00%	0.00%	0.00%	0.00%
65	Morgan	3	16	0.08%	0.06%	0.07%	0.06%
66	Obion	2	18	0.05%	0.07%	0.05%	0.06%
67	Overton	8	45	0.20%	0.16%	0.19%	0.16%
68	Perry	1	7	0.03%	0.03%	0.02%	0.02%
69	Pickett	-	-	0.00%	0.00%	0.00%	0.00%
70	Polk	-	-	0.00%	0.00%	0.00%	0.00%
71	Putnam	53	369	1.33%	1.34%	1.29%	1.30%
72	Rhea	1	4	0.03%	0.01%	0.02%	0.01%
73	Roane	3	15	0.08%	0.05%	0.07%	0.05%
74	Robertson	153	1,038	3.83%	3.78%	3.72%	3.66%
75	Rutherford	299	1,984	7.49%	7.23%	7.26%	7.00%
76	Scott	1	11	0.03%	0.04%	0.02%	0.04%
77	Sequatchie	-	-	0.00%	0.00%	0.00%	0.00%
78	Sevier	4	29	0.10%	0.11%	0.10%	0.10%

## Skyline 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
79	Shelby	10	91	0.25%	0.33%	0.24%	0.32%
80	Smith	31	203	0.78%	0.74%	0.75%	0.72%
81	Stewart	26	186	0.65%	0.68%	0.63%	0.66%
82	Sullivan	2	13	0.05%	0.05%	0.05%	0.05%
83	Sumner	413	2,877	10.35%	10.48%	10.03%	10.15%
84	Tipton	2	6	0.05%	0.02%	0.05%	0.02%
85	Trousdale	22	127	0.55%	0.46%	0.53%	0.45%
86	Unicoi	-	-	0.00%	0.00%	0.00%	0.00%
87	Union	-	-	0.00%	0.00%	0.00%	0.00%
88	Van Buren	6	43	0.15%	0.16%	0.15%	0.15%
89	Warren	24	158	0.60%	0.58%	0.58%	0.56%
90	Washington	-	-	0.00%	0.00%	0.00%	0.00%
91	Wayne	7	63	0.18%	0.23%	0.17%	0.22%
92	Weakley	1	4	0.03%	0.01%	0.02%	0.01%
93	White	21	182	0.53%	0.66%	0.51%	0.64%
94	Williamson	71	558	1.78%	2.03%	1.72%	1.97%
95	Wilson	183	1,202	4.59%	4.38%	4.45%	4.24%
96	TN County Unknown	-	-	0.00%	0.00%	0.00%	0.00%
<b>TN TOTALS</b>		<b>3,991</b>	<b>27,451</b>	<b>97%</b>	<b>97%</b>		
	Alabama	7	58	5.60%	6.47%	0.17%	0.20%
	Georgia	7	49	5.60%	5.46%	0.17%	0.17%
	Mississippi	1	11	0.80%	1.23%	0.02%	0.04%
	Arkansas	-	-	0.00%	0.00%	0.00%	0.00%
	Missouri	-	-	0.00%	0.00%	0.00%	0.00%
	Kentucky	51	386	40.80%	43.03%	1.24%	1.36%
	Virginia	3	38	2.40%	4.24%	0.07%	0.13%
	NC	2	22	1.60%	2.45%	0.05%	0.08%
	Ohio	6	34	4.80%	3.79%	0.15%	0.12%
	Michigan	5	47	4.00%	5.24%	0.12%	0.17%
	Other States	43	252	34.40%	28.09%	1.04%	0.89%
<b>OTHER TOTALS</b>		<b>125</b>	<b>897</b>	<b>3%</b>	<b>3%</b>		
<b>GRAND TOTAL</b>		<b>4,116</b>	<b>28,348</b>				

## Henry Cty MC 2016 JAR Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days		% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
1	Anderson				0.00%	0.00%	0.00%	0.00%
2	Bedford				0.00%	0.00%	0.00%	0.00%
3	<b>Benton</b>	<b>554</b>	<b>2,028</b>		<b>13.88%</b>	<b>16.13%</b>	<b>13.46%</b>	<b>7.39%</b>
4	Bledsoe				0.00%	0.00%	0.00%	0.00%
5	Blount				0.00%	0.00%	0.00%	0.00%
6	Bradley				0.00%	0.00%	0.00%	0.00%
7	Campbell				0.00%	0.00%	0.00%	0.00%
8	Cannon				0.00%	0.00%	0.00%	0.00%
9	Carroll	356	1,343		8.92%	10.68%	8.65%	4.89%
10	Carter				0.00%	0.00%	0.00%	0.00%
11	Cheatham	3	19		0.08%	0.15%	0.07%	0.07%
12	Chester	4	12		0.10%	0.10%	0.10%	0.04%
13	Claiborne				0.00%	0.00%	0.00%	0.00%
14	Clay				0.00%	0.00%	0.00%	0.00%
15	Cocke				0.00%	0.00%	0.00%	0.00%
16	Coffee				0.00%	0.00%	0.00%	0.00%
17	Crockett	4	15		0.10%	0.12%	0.10%	0.05%
18	Cumberland				0.00%	0.00%	0.00%	0.00%
19	Davidson	6	29		0.15%	0.23%	0.15%	0.11%
20	Decatur	7	26		0.18%	0.21%	0.17%	0.09%
21	DeKalb				0.00%	0.00%	0.00%	0.00%
22	Dickson	1	11		0.03%	0.09%	0.02%	0.04%
23	Dyer	8	28		0.20%	0.22%	0.19%	0.10%
24	Fayette				0.00%	0.00%	0.00%	0.00%
25	Fentress				0.00%	0.00%	0.00%	0.00%
26	Franklin	2			0.05%	0.00%	0.05%	0.00%
27	Gibson	2	3		0.05%	0.02%	0.05%	0.01%
28	Giles	29	127		0.73%	1.01%	0.70%	0.46%
29	Grainger				0.00%	0.00%	0.00%	0.00%
30	Greene				0.00%	0.00%	0.00%	0.00%
31	Grundy				0.00%	0.00%	0.00%	0.00%
32	Hamblen				0.00%	0.00%	0.00%	0.00%
33	Hamilton				0.00%	0.00%	0.00%	0.00%
34	Hancock				0.00%	0.00%	0.00%	0.00%
35	Hardeman				0.00%	0.00%	0.00%	0.00%
36	Hardin	2	15		0.05%	0.12%	0.05%	0.05%
37	Hawkins				0.00%	0.00%	0.00%	0.00%
38	Haywood				0.00%	0.00%	0.00%	0.00%
39	Henderson	14	50		0.35%	0.40%	0.34%	0.18%

## Henry Cty MC 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

40	<b>Henry</b>	<b>1,852</b>	<b>6,802</b>	<b>46.40%</b>	<b>54.10%</b>	<b>45.00%</b>	<b>24.78%</b>
41	Hickman	2	10	0.05%	0.08%	0.05%	0.04%
42	Houston	26	144	0.65%	1.15%	0.63%	0.52%
43	Humphreys	28	98	0.70%	0.78%	0.68%	0.36%
44	Jackson			0.00%	0.00%	0.00%	0.00%
45	Jefferson			0.00%	0.00%	0.00%	0.00%
46	Johnson			0.00%	0.00%	0.00%	0.00%
47	Knox			0.00%	0.00%	0.00%	0.00%
48	Lake			0.00%	0.00%	0.00%	0.00%
49	Lauderdale	1	5	0.03%	0.04%	0.02%	0.02%
50	Lawrence	3	12	0.08%	0.10%	0.07%	0.04%
51	Lewis			0.00%	0.00%	0.00%	0.00%
52	Lincoln			0.00%	0.00%	0.00%	0.00%
53	Loudon			0.00%	0.00%	0.00%	0.00%
54	McMinn			0.00%	0.00%	0.00%	0.00%
55	McNairy	4	11	0.10%	0.09%	0.10%	0.04%
56	Macon			0.00%	0.00%	0.00%	0.00%
57	Madison	9	50	0.23%	0.40%	0.22%	0.18%
58	Marion			0.00%	0.00%	0.00%	0.00%
59	Marshall			0.00%	0.00%	0.00%	0.00%
60	Maury	3	14	0.08%	0.11%	0.07%	0.05%
61	Meigs			0.00%	0.00%	0.00%	0.00%
62	Monroe			0.00%	0.00%	0.00%	0.00%
63	Montgomery	16	87	0.40%	0.69%	0.39%	0.32%
64	Moore			0.00%	0.00%	0.00%	0.00%
65	Morgan			0.00%	0.00%	0.00%	0.00%
66	Obion	37	171	0.93%	1.36%	0.90%	0.62%
67	Overton			0.00%	0.00%	0.00%	0.00%
68	Perry	1	3	0.03%	0.02%	0.02%	0.01%
69	Pickett			0.00%	0.00%	0.00%	0.00%
70	Polk			0.00%	0.00%	0.00%	0.00%
71	Putnam			0.00%	0.00%	0.00%	0.00%
72	Rhea			0.00%	0.00%	0.00%	0.00%
73	Roane	1	8	0.03%	0.06%	0.02%	0.03%
74	Robertson	6	31	0.18%	0.25%	0.15%	0.11%
75	Rutherford	2	4	0.06%	0.03%	0.05%	0.01%
76	Scott			0.00%	0.00%	0.00%	0.00%
77	Sequatchie			0.00%	0.00%	0.00%	0.00%
78	Sevier			0.00%	0.00%	0.00%	0.00%
79	Shelby	4	10	0.12%	0.08%	0.10%	0.04%
80	Smith			0.00%	0.00%	0.00%	0.00%
81	<b>Stewart</b>	<b>180</b>	<b>680</b>	<b>5.35%</b>	<b>5.41%</b>	<b>4.37%</b>	<b>2.48%</b>
82	Sullivan			0.00%	0.00%	0.00%	0.00%
83	Sumner	2	7	0.06%	0.06%	0.05%	0.03%

Henry Cty MC 2016 JAR

Admissions Data - County of Origin (All Services/Patients)

84	Tipton			0.00%	0.00%	0.00%	0.00%
85	Trousdale			0.00%	0.00%	0.00%	0.00%
86	Unicoi			0.00%	0.00%	0.00%	0.00%
87	Union			0.00%	0.00%	0.00%	0.00%
88	Van Buren			0.00%	0.00%	0.00%	0.00%
89	Warren			0.00%	0.00%	0.00%	0.00%
90	Washington			0.00%	0.00%	0.00%	0.00%
91	Wayne			0.00%	0.00%	0.00%	0.00%
92	<b>Weakley</b>	<b>194</b>	<b>709</b>	<b>5.77%</b>	<b>5.64%</b>	<b>4.71%</b>	<b>2.58%</b>
93	White			0.00%	0.00%	0.00%	0.00%
94	Williamson	2	10	0.06%	0.08%	0.05%	0.04%
95	Wilson			0.00%	0.00%	0.00%	0.00%
96	TN County Unknown			0.00%	0.00%	0.00%	0.00%
<b>TN TOTALS</b>		<b>3,365</b>	<b>12,572</b>	<b>100%</b>	<b>100%</b>		
	Alabama	1	11	1.32%	2.61%	0.03%	0.08%
	Georgia	3	10	3.95%	2.37%	0.09%	0.08%
	Mississippi	1	5	1.32%	1.18%	0.03%	0.04%
	Arkansas	1	3	1.32%	0.71%	0.03%	0.02%
	Missouri	1	5	1.32%	1.18%	0.03%	0.04%
	<b>Kentucky (Total)</b>	<b>54</b>	<b>315</b>	<b>71.05%</b>	<b>74.64%</b>	<b>1.57%</b>	<b>2.42%</b>
	Kentucky (Graves)	10	46	13.16%	10.90%	0.29%	0.35%
	Kentucky (Calloway)	30	146	39.47%	34.60%	0.87%	1.12%
	Kentucky (Other)	14	123	18.42%	29.15%	0.41%	0.95%
	Virginia	-	-	0.00%	0.00%	0.00%	0.00%
	NC	1	2	1.32%	0.47%	0.03%	0.02%
	Indiana	2	17	2.63%	4.03%	0.06%	0.13%
	Florida	2	8	2.63%	1.90%	0.06%	0.06%
	Other States	10	46	13.16%	10.90%	0.29%	0.35%
<b>OTHER TOTALS</b>		<b>76</b>	<b>422</b>	<b>2%</b>	<b>3%</b>		
<b>GRAND TOTAL</b>		<b>3,441</b>	<b>12,994</b>				



## Tennova 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
1	Anderson	1	7	0.01%	0.02%	0.01%	0.02%
2	Bedford			0.00%	0.00%	0.00%	0.00%
3	Benton	2	4	0.02%	0.01%	0.02%	0.01%
4	Bledsoe			0.00%	0.00%	0.00%	0.00%
5	Blount			0.00%	0.00%	0.00%	0.00%
6	Bradley			0.00%	0.00%	0.00%	0.00%
7	Campbell			0.00%	0.00%	0.00%	0.00%
8	Cannon			0.00%	0.00%	0.00%	0.00%
9	Carroll			0.00%	0.00%	0.00%	0.00%
10	Carter			0.00%	0.00%	0.00%	0.00%
11	Cheatham	60	270	0.64%	0.80%	0.58%	0.73%
12	Chester			0.00%	0.00%	0.00%	0.00%
13	Claiborne			0.00%	0.00%	0.00%	0.00%
14	Clay			0.00%	0.00%	0.00%	0.00%
15	Cocke			0.00%	0.00%	0.00%	0.00%
16	Coffee	1	1	0.01%	0.00%	0.01%	0.00%
17	Crockett			0.00%	0.00%	0.00%	0.00%
18	Cumberland	1	2	0.01%	0.01%	0.01%	0.01%
19	Davidson	49	135	0.52%	0.40%	0.48%	0.36%
20	Decatur	3	37	0.03%	0.11%	0.03%	0.10%
21	DeKalb			0.00%	0.00%	0.00%	0.00%
22	Dickson	106	376	1.13%	1.11%	1.03%	1.01%
23	Dyer			0.00%	0.00%	0.00%	0.00%
24	Fayette	1	7	0.01%	0.02%	0.01%	0.02%
25	Fentress			0.00%	0.00%	0.00%	0.00%
26	Franklin	2	4	0.02%	0.01%	0.02%	0.01%
27	Gibson	2	4	0.02%	0.01%	0.02%	0.01%
28	Giles			0.00%	0.00%	0.00%	0.00%
29	Grainger			0.00%	0.00%	0.00%	0.00%
30	Greene			0.00%	0.00%	0.00%	0.00%
31	Grundy			0.00%	0.00%	0.00%	0.00%
32	Hamblen			0.00%	0.00%	0.00%	0.00%
33	Hamilton			0.00%	0.00%	0.00%	0.00%
34	Hancock			0.00%	0.00%	0.00%	0.00%
35	Hardeman			0.00%	0.00%	0.00%	0.00%
36	Hardin	1	3	0.01%	0.01%	0.01%	0.01%
37	Hawkins			0.00%	0.00%	0.00%	0.00%
38	Haywood			0.00%	0.00%	0.00%	0.00%
39	Henderson			0.00%	0.00%	0.00%	0.00%

Tennova 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
40	Henry	12	112	0.13%	0.33%	0.12%	0.30%
41	Hickman	4	13	0.04%	0.04%	0.04%	0.04%
42	Houston	177	567	1.88%	1.68%	1.73%	1.53%
43	Humphreys	12	24	0.13%	0.07%	0.12%	0.06%
44	Jackson			0.00%	0.00%	0.00%	0.00%
45	Jefferson			0.00%	0.00%	0.00%	0.00%
46	Johnson			0.00%	0.00%	0.00%	0.00%
47	Knox			0.00%	0.00%	0.00%	0.00%
48	Lake			0.00%	0.00%	0.00%	0.00%
49	Lauderdale			0.00%	0.00%	0.00%	0.00%
50	Lawrence			0.00%	0.00%	0.00%	0.00%
51	Lewis			0.00%	0.00%	0.00%	0.00%
52	Lincoln			0.00%	0.00%	0.00%	0.00%
53	Loudon			0.00%	0.00%	0.00%	0.00%
54	McMinn			0.00%	0.00%	0.00%	0.00%
55	McNairy	2	5	0.02%	0.01%	0.02%	0.01%
56	Macon	1	5	0.01%	0.01%	0.01%	0.01%
57	Madison	1	2	0.01%	0.01%	0.01%	0.01%
58	Marion	1	2	0.01%	0.01%	0.01%	0.01%
59	Marshall			0.00%	0.00%	0.00%	0.00%
60	Maurry	3	8	0.03%	0.02%	0.03%	0.02%
61	Meigs			0.00%	0.00%	0.00%	0.00%
62	Monroe			0.00%	0.00%	0.00%	0.00%
63	Montgomery	8,310	29,948	88.46%	88.64%	81.02%	80.66%
64	Moore	2	3	0.02%	0.01%	0.02%	0.01%
65	Morgan			0.00%	0.00%	0.00%	0.00%
66	Obion	2	3	0.02%	0.01%	0.02%	0.01%
67	Overton			0.00%	0.00%	0.00%	0.00%
68	Perry	1	2	0.01%	0.01%	0.01%	0.01%
69	Pickett			0.00%	0.00%	0.00%	0.00%
70	Polk			0.00%	0.00%	0.00%	0.00%
71	Putnam			0.00%	0.00%	0.00%	0.00%
72	Rhea			0.00%	0.00%	0.00%	0.00%
73	Roane			0.00%	0.00%	0.00%	0.00%
74	Robertson	106	340	1.13%	1.01%	1.03%	0.92%
75	Rutherford	2	3	0.02%	0.01%	0.02%	0.01%
76	Scott			0.00%	0.00%	0.00%	0.00%
77	Sequatchie			0.00%	0.00%	0.00%	0.00%
78	Sevier			0.00%	0.00%	0.00%	0.00%

Tennova 2016 JAR

## Admissions Data - County of Origin (All Services/Patients)

Cty #	Tennessee County of Residence	# of Adm / Disch	# of IP Days or DSC Pt Days	% of Adm / Disch (TN Only)	% of IP Days or DSC Pt Days (TN Only)	% of Adm / Disch (ALL States)	% of IP Days or DSC Pt Days (ALL States)
79	Shelby	4	8	0.04%	0.02%	0.04%	0.02%
80	Smith			0.00%	0.00%	0.00%	0.00%
81	<b>Stewart</b>	<b>492</b>	<b>1,745</b>	<b>5.24%</b>	<b>5.16%</b>	<b>4.80%</b>	<b>4.70%</b>
82	Sullivan	2	8	0.02%	0.02%	0.02%	0.02%
83	Sumner	7	34	0.07%	0.10%	0.07%	0.09%
84	Tipton			0.00%	0.00%	0.00%	0.00%
85	Trousdale			0.00%	0.00%	0.00%	0.00%
86	Unicoi			0.00%	0.00%	0.00%	0.00%
87	Union			0.00%	0.00%	0.00%	0.00%
88	Van Buren			0.00%	0.00%	0.00%	0.00%
89	Warren	1	2	0.01%	0.01%	0.01%	0.01%
90	Washington	1	3	0.01%	0.01%	0.01%	0.01%
91	Wayne			0.00%	0.00%	0.00%	0.00%
92	Weakley	1	5	0.01%	0.01%	0.01%	0.01%
93	White			0.00%	0.00%	0.00%	0.00%
94	Williamson	12	74	0.13%	0.22%	0.12%	0.20%
95	Wilson	4	11	0.04%	0.03%	0.04%	0.03%
96	TN County Unknown	5	10	0.05%	0.03%	0.05%	0.03%
<b>TN TOTALS</b>		<b>9,394</b>	<b>33,787</b>	<b>92%</b>	<b>91%</b>		
	Alabama	13	50	1.51%	0.01	0.13%	0.13%
	Georgia	7	66	0.81%	0.02	0.07%	0.18%
	Mississippi	6	16	0.70%	0.00	0.06%	0.04%
	Arkansas	1	3	0.12%	0.00	0.01%	0.01%
	Missouri	5	18	0.58%	0.01	0.05%	0.05%
	<b>Kentucky</b>	<b>696</b>	<b>2,761</b>	<b>80.65%</b>	<b>0.83</b>	<b>6.79%</b>	<b>7.44%</b>
	Virginia	6	14	0.70%	0.00	0.06%	0.04%
	NC	6	15	0.70%	0.00	0.06%	0.04%
	Other States	123	400	14.25%	0.12	1.20%	1.08%
<b>OTHER TOTALS</b>		<b>863</b>	<b>3,343</b>	<b>8%</b>	<b>9%</b>		
<b>GRAND TOTAL</b>		<b>10,257</b>	<b>37,130</b>				

## SECTION B: ECONOMIC FEASIBILITY

### Attachment A-5

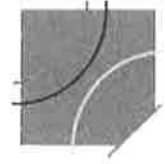
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Documentation from Architect/Contractor  
Supporting Construction Costs



January 12, 2018

Ms. Melanie Hill, Director  
Tennessee Health Facilities Commission  
Andrew Jackson State Office Building  
502 Deaderick Street, 9th Floor  
Nashville, Tennessee 37243



Re: American Health Companies - Clarksville TN (17724.00) - Planning (00)  
Subject: American Health Companies - Clarksville 48 Bed Addition

Dear Ms. Hill,

I am with Johnson Johnson Crabtree Architects, P.C., who are assisting Unity Psychiatric Services Clarksville, LLC with the development of the proposed adult psychiatric hospital in Clarksville, TN.

From the information we have reviewed, we have evaluated the total projected costs cited in the application for this project and believe that the estimated construction costs of \$9,146,761.00 to be reasonable based on our experience and judgement.

The 48-Bed psychiatric hospital unit depicted on the CON documents is proposed to be a 2 story, 27,743 square foot structure with 2 units, each housing 24 beds on each floor. The building will be designed to complement the existing campus utilizing a steel frame structure and masonry veneer construction. The construction type will be Type IIB, occupancy type I-2, and be fully sprinklered. Through a shared services arrangement, the proposed hospital will receive some of its hospital services from the facilities already located nearby the proposed site. The existing psychiatric hospital on the campus will supply various administrative support functions.

The proposed new hospital will be physically attached to the building where the existing licensed geropsychiatric hospital is located. The proposed facility will have a separate public entrance lobby and provide 2 assessment rooms for walk in admissions. Admissions to the hospital will come through the public entrance, or through ambulance entrance, either via ambulance or police vehicle.

The site is constrained so careful attention during design will need to be given to storm water and site drainage strategies as well as appropriately addressing existing karst features on the site. Due to these constraints the site development costs may be higher than a typical site.

In the design of this addition the architect will endeavor consistent with the standard of care to conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority. The final construction is anticipated to meet all requirements for licensure as a mental health hospital.

Should you have any other questions for which I can be of assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Brown", with a long horizontal flourish extending to the right.

David J. Brown Architect AIA  
Managing Partner, JJCA PC

cc:

Jason Bailey:Christopher Puri  
Tim Morgan - JJCA

## SECTION B: ECONOMIC FEASIBILITY

### Attachment B-5

Documentation of Cash Reserves  
from Chief Financial Officer



January 15, 2018

Ms. Melanie Hill, Executive Director  
Tennessee Health Services and Development Agency  
500 Deaderick Street, Suite 850  
Nashville, TN 37243

Re: Unity Psychiatric Services Clarksville, LLC

Dear Ms. Hill:

Please be advised that funding for the development of forty-eight (48) bed adult psychiatric hospital at Unity Psychiatric Services Clarksville, LLC, which is the subject of a certificate of need application, will be provided by its parent company, American Health Companies, Inc. The capital funding required for this project is estimated to be Twelve Million Seven Hundred Forty-Six Thousand Five Hundred Dollars (\$12,746,500) and is available through the resources of American Health Companies, Inc.

For clarification, I am the Treasurer of Unity Psychiatric Services Clarksville, LLC. and Chief Financial Officer of both American Health Companies, Inc. and Tennessee Health Management, Inc. Unity Psychiatric Services Clarksville, LLC., is a wholly owned subsidiary of American Health Companies, Inc., and will be managed by Tennessee Health Management, Inc., a leading provider in the long-term care and behavioral health sectors.

The Company currently has operations in over 50 locations throughout Tennessee and Northern Alabama employing over 4,000 people. The provider portfolio consists of, but not limited to, 29 skilled nursing facilities, 5 behavioral health hospitals, home health, hospice, therapy and rehabilitation services and an institutional pharmacy.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

American Health Companies, Inc.

A handwritten signature in black ink, appearing to read "Jeff Bogle", is written over a horizontal line.

Jeff Bogle

Chief Financial Officer



## Letters of Support



275 Cumberland Bend Drive | Nashville | Tennessee | 37228 | Phone: 615-726-3340 | [www.mhc-tn.org](http://www.mhc-tn.org)

January 2, 2018

Henry Watson  
Vice President of Corporate Development  
American Health Companies, Inc.  
201 Jordan Road  
Franklin, TN 37067

Dear Mr. Watson,

I am writing in support of the certificate of need application submitted by American Health Companies, Inc. for the establishment of a behavioral health hospital in Clarksville, TN focused on the adult patient population.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. There are no adult or adolescent beds located in the targeted service area.

Please consider this application and feel free to contact me at 615-743-1401 if you have any further questions.

Sincerely,

Pam Womack, CEO  
Mental Health Cooperative  
275 Cumberland Bend Drive  
Nashville TN 37228  
615 743-1401  
[pjwomack@mhc-tn.org](mailto:pjwomack@mhc-tn.org)  
[www.mhc-tn.org](http://www.mhc-tn.org)



January 10, 2018

Ms. Melanie Hill  
Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building  
500 Deaderick Street, Suite 850  
Nashville, Tennessee 37243

Dear Ms. Hill,

I am writing in support of the certificate of need application submitted by American Health Companies, Inc. for the establishment of a behavioral health hospital in Clarksville, TN focused on the adult population.

Clarksville has long been underserved by the Psychiatric community. Any patient in need of in-patient services has faced long emergency room visits waiting for referral to a distant facility. Compounding this problem is the fact that once treated in a hospital 50 or more miles away, they still will not be connected to effective out-patient treatment in their own community. Having a hospital in the community will not only alleviate the urgent need for treatment but also will give an incentive for the Psychiatric community to build out-patient practices there.

Wellness Solutions focuses on the Psychiatric needs of geriatric patients and we provide in-patient treatment for a 26 bed geriatric unit in Clarksville. We receive daily calls looking for treatment for younger patients who face months long waits for appointments in the area and who are reluctant to commit to treatment at a distance. Additionally, we have spent a great deal of time and effort trying to recruit Psychiatrists and Psychiatric Nurse Practitioners to live and work in the Clarksville area but have not, to this point been able to overcome the limited treatment options for their patients.

An adult in-patient psychiatric hospital is a critical step in the right direction to fill the void of current psychiatric services.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Cain', with a stylized flourish at the end.

John Cain, MD  
Medical Director

MARK E. GREEN, M.D.

SENATOR  
22ND SENATORIAL DISTRICT

SUITE 4, LEGISLATIVE PLAZA  
NASHVILLE, TENNESSEE 37243-0207  
(615) 741-2374 - FAX: (615) 253-0193

**Senate Chamber**  
**State of Tennessee**

**1<sup>ST</sup> VICE-CHAIR**

COMMERCE, LABOR

**MEMBER OF COMMITTEES**

ENERGY, AGRICULTURE, NATURAL  
RESOURCES

January 10, 2018

Ms. Melanie Hill, Executive Director  
Tennessee Health services and Development Agency  
Andrew Jackson Building  
500 Deaderick Street, Suite 850  
Nashville, TN 37243

Dear Ms. Hill:

I am writing in support of the certificate of need application submitted by American Health Companies, Inc. for the establishment of a behavioral health hospital in Clarksville, TN focused on the adult patient population.

This hospital will help meet the needs of individuals who currently do not have access to such services. Patients are frequently boarded in the emergency room while awaiting disposition and transfer to an appropriate psychiatric or detox facility. I believe there is a great need for inpatient psychiatric services in the Montgomery and surrounding counties as there are no adult or adolescent beds located in the targeted service area.

Please consider this application and feel free to contact me at (615) 741-2374 if you have any further questions.

Sincerely,



Mark E. Green, M.D.  
State Senator  
District 22

January 2, 2018

Ms. Melanie Hill  
Executive Director  
Tennessee Health services and Development Agency  
Andrew Jackson Building  
500 Deaderick Street, Suite 850  
Nashville, TN 37243

Dear Ms. Hill,

My name is Dr. Oba Hollie and I am a primary care provider at Unity Medical Clinic. I am writing you in support of the certificate of need application submitted by American Health Companies, Inc. for the establishment of a behavioral health hospital in Clarksville, TN focused on the adult patient population.

This hospital will help meet the needs of patients that currently do not have access to such services. Patients frequently have to be boarded in emergency rooms while they are waiting for disposition and transfer to an appropriate facility. I believe there are hundreds of patients in the Clarksville area that are currently underserved or not appropriately served. There are no adult or adolescent beds located in the targeted service area.

Please consider this application and feel free to contact me at 931-245-3580 if you have any further questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Oba H. Hollie', written in a cursive style.

Oba H. Hollie, M.D.

## Proof of Publication

TENNESSEAN.COM ■ WEDNESDAY, JANUARY 10, 2018 ■ 7C

# ASSIFIED

0002651323

## NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

Unity Psychiatric Services Clarksville, LLC (a proposed mental health hospital), to be owned by American Health Companies, Inc. (a Tennessee corporation), and to be managed by Tennessee Health Management, Inc. (a Tennessee corporation), intends to file an application for Certificate of Need to establish a mental health hospital for adult patients, to be located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County. The project will be located on a portion of a 3.15 acre parcel identified as Parcel ID 040G A 002.00 000 in the property records of Montgomery County. The estimated project cost is \$12,746,500.00.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 48-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is: January 12, 2018. The contact person for this project is Christopher Purl who may be reached at Bradley Arant Boult Cummings LLP, 1400 Division Street, STE 700, Nashville, 37203 Phone: 615-252-4643; Email: cpurl@bradley.com.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



## Affidavit

**AFFIDAVIT**

STATE OF Tennessee

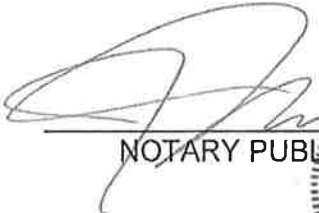

COUNTY OF Davidson

Christopher C. Puri, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

  
SIGNATURE/TITLE

Sworn to and subscribed before me this 12th day of January, 2018 a Notary  
(Month) (Year)

Public in and for the County/State of Davidson County, Tennessee.

  
NOTARY PUBLIC  


My commission expires May 5, 2020  
(Month/Day) (Year)



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

Fax: 615-741-9884

February 1, 2018

Christopher C. Puri, Esq.  
Bradley Arant Boult Cummings, LLP  
1600 Division Street, Suite 700  
Nashville, TN 37203

RE: Certificate of Need Application – Unity Psychiatric Services Clarksville, LLC - CN1801-005

The construction of a 48 bed mental health hospital for adults ages 18-64 located at 930 Professional Park Drive, Clarksville (Montgomery County), TN. The proposed adult mental health hospital will be attached to the existing 26 bed geriatric hospital Behavioral Healthcare Center at Clarksville, but will be separately licensed by the Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS). The applicant also owns the Behavioral Healthcare Center at Clarksville. The applicant is owned by American Health Centers, Inc. The estimated project cost is \$12,746,500.

Dear Mr. Puri:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Laura Young at the Tennessee Department of Mental Health and Substance Abuse Services for Certificate of Need review by the Division of Planning, Research, & Forensics. You may be contacted by Ms. Young or someone from her office for additional clarification while the application is under review by the Department. Ms. Young's contact information is [Laura.Young@tn.gov](mailto:Laura.Young@tn.gov) or 615-741-7694.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on February 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on April 25, 2018.



**State of Tennessee**

**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

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Mr. Puri

Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (5) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (6) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill  
Executive Director

cc: Laura Young, DNP APN, FPMHNP-BC



**State of Tennessee**

**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243


[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

Fax: 615-741-9884

**MEMORANDUM**

**TO:** Laura Young, Chief Nursing Officer  
Division of Hospital Services  
TN Department of Mental Health and Substance Abuse Services  
Division of Planning, Research & Forensics  
Andrew Jackson Building, 6<sup>th</sup> Floor  
500 Deaderick Street  
Nashville, Tennessee 37243

**FROM:** Melanie M. Hill   
Executive Director

**DATE:** February 1, 2018

**RE:** Certificate of Need Application  
Unity Psychiatric Services Clarksville, LLC - CN1801-005

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on February 1, 2018 and end on April 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

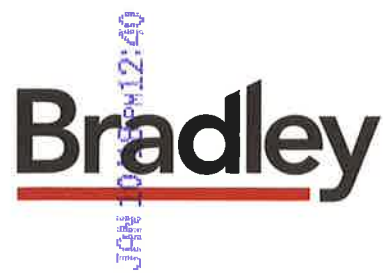
Enclosure

cc: Christopher Puri, Esq.



**Christopher C. Puri**

Counsel  
cpuri@bradley.com  
615.252.4643 direct



January 10, 2018

**VIA HAND DELIVERY**

Ms. Melanie Hill  
Tennessee Health Services and Development Agency  
500 Deaderick Street, 9<sup>th</sup> Floor  
Nashville, Tennessee 37243

Re: Letter of Intent to Apply for Certificate of Need Unity Psychiatric Services  
Clarksville, LLC

Dear Melanie:

Please find attached a Letter of Intent to apply for Unity Psychiatric Services Clarksville, LLC, which intends to file an application for a Certificate of Need for a forty-eight (48) bed mental health hospital for adult patients as outlined in the attached document.

Should you have any questions or need anything further, please do not hesitate to contact me.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

By:

Christopher C. Puri

CCP/ced  
Enclosure

20845884820-9633-2634.1  
107086-013

**LETTER OF INTENT**

JAN 10 10 12 AM

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in the counties of Montgomery, Stewart, Houston, Humphreys, Henry, and Dickson, Tennessee, on or before January 10, 2018 for one day.

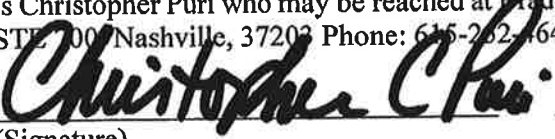
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This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Unity Psychiatric Services Clarksville, LLC (a proposed mental health hospital), to be owned by American Health Companies, Inc. (a Tennessee corporation), and to be managed by Tennessee Health Management, Inc. (a Tennessee corporation), intends to file an application for a Certificate of Need to establish a mental health hospital for adult patients, to be located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County. The project will be located on a portion of a 3.15 acre parcel identified as Parcel ID 040G A 002.00 000 in the property records of Montgomery County. The estimated project cost is \$12,746,500.00.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 48-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is: January 12, 2018. The contact person for this project is Christopher Puri who may be reached at Bradley Arant Boult Cummings LLP, 1600 Division Street, STE 200 Nashville, 37203 Phone: 615-252-1643; Email: [cpuri@bradley.com](mailto:cpuri@bradley.com).

 1/10/18 cpuri@bradley.com  
(Signature) (Date) (E-Mail Address)

**The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:**

**Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, Tennessee 37243**

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The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



# Supplemental #1 (Original)

Unity Psychiatric Services  
Clarksville, LLC

CN1801-005

**Christopher C. Puri**

Counsel  
cpuri@bradley.com  
615.252.4640 direct  
615.252.4706 fax



January 29, 2018

Mr. Phillip M. Earhart  
HSDA Examiner  
Tennessee Health Services and Development Agency  
Andrew Jackson State Office Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

Re: Certificate of Need Application 1801-005  
Unity Psychiatric Services Clarksville, LLC

Dear Mr. Earhart:

This letter will serve as a response to your letter of January 29, 2018 requesting clarification or additional discussion as to our application for a Certificate of Need for the above-referenced matter.

This response has been reviewed by the Applicant, and an appropriate affidavit is attached.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in black ink that reads "Christopher C. Puri". The signature is written in a cursive, flowing style.

By:

Christopher Puri

CCP/ced  
Enclosure

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**Responses to January 23, 2018 First Supplemental Questions -  
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Submitted January 29, 2018**

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**1. Section A, Project Details, Item 4.B (Ownership), Page 3**

Please provide a general description of American Health Companies, Inc. including a discussion of other health care institutions owned by type and their location by state.

Does the applicant's parent company own other health care institutions in Tennessee? If yes, please provide the name, current address, current status of Licensure/certification, and percentage of ownership for each health care institution identified.

**RESPONSE:** American Health Companies, Inc. (AHC) is a holding company for a family of companies dedicated to high quality comprehensive healthcare services to its members and patients. AHC provides a wide variety of services spanning across five major categories: skilled nursing and rehabilitation, home health and homecare, hospice, and psychiatric care for older adults. There are several business entities/business lines under AHC:

- Behavioral Health Centers owns and manages five inpatient psychiatric hospitals that focus on providing geriatric psychiatric services.
- AHC owns and manages nursing homes certified for Medicare (SNF) and Medicaid (NF) in Tennessee and Alabama.
- Tennessee Quality Home Care provides hospice and home care services through a parent and twelve (12) branch offices located in West Tennessee.
- Tennessee Health Management, Inc. (THM) is a management company providing services to AHC health care facilities.
- Rehab America is a Medicare-certified therapy company that focuses on providing rehabilitation therapy.
- TruHealth contracts with and employs physicians and nurse practitioners throughout the continuum of post-acute care, and provides those services to various long term care and behavioral health facilities.
- AmPharm is a long-term care pharmacy providing comprehensive pharmacy services including specialized packaging, IV and compounding services.
- AmMed is a Durable Medical Equipment & Medical Supplier (DMEPOS).
- American Health Plans is a health plan as well as a Medicare Advantage Dual Eligible Special Needs Plan (D-SPN) which provides nursing home residents access to customized, high quality healthcare.

A listing of the health care institutions requested by the question is included as Attachment First Supplemental - Question 1. That listing includes the name, current address, current licensure status, and percentage ownership for each health care institution identified.

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**2. Section A, Project Details, Item 5 (Management/Operating Entity), Page 3**

Please provide a brief overview of Tennessee Health Management, Inc. and their experience in managing inpatient psychiatric units for ages 18-64.

**RESPONSE:** THM is a health care company affiliated with AHC that provides health care services and manages various health care facilities under AHC. THM has managed geriatric psychiatric facilities for over 10 years. That experience is largely transferrable to the management of adult psychiatric facilities because there is a significant overlap in the clinical, operational, regulatory and administrative between geriatric and adult psychiatric facilities. The Applicant and its affiliates have also bolstered their experience and expertise in preparation for pursuing an expansion into adult psychiatric business, particularly in its clinical staff. Through its affiliated entities, THM and the Applicant have employed a Psychiatric Medical Director, Dr. Karen Berry, with 33 years of experience with the adult population. Dr. Berry's resume' is attached at Attachment First Supplemental - Question 2. It has also hired an operational leader with 37 years of experience with the adult population, Lynn Lemke. Additionally, THM's affiliated organization, Unity Physician Partners, has provided outpatient care to 18-64 year old patients with behavioral health needs in the Clarksville market since 2013.

**3. Section A, Project Details, Item A (Description) Page 4**

Please provide a fully executed option to lease agreement.

**RESPONSE:** A fully executed signature page from the previously submitted option to lease agreement is attached at Attachment First Supplemental - Question 3.

**4. Section A. Applicant Profile, Item I , 6B (2) Floor Plan, Page 4**

The floor plan is noted. However, please provide a revised floor plan that notes private and semi-private rooms.

**RESPONSE:** All of the rooms in the proposed facility will be semi-private rooms, so each of the rooms denoted on the floor plan is a semi-private room. A revised floor plan with that notation is attached as Attachment First Supplemental - Question 4.

**5. Section A. Applicant Profile, Item 3 Executive Summary**

Please clarify why the applicant is seeking a separate license for the proposed 18-64 inpatient unit hospital than rather being under one hospital license with the existing geriatric hospital.

Please clarify what services will be shared with the existing geriatric hospital.

**RESPONSE:** The Applicant is requesting a separately licensed facility for the programmatic and physical plant reasons discussed on page 29 of the Application's main responses (in response to

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the request for a discussion of alternatives to the project). A separately licensed facility is also more advisable to the Applicant because it will be operated somewhat independently, and will likely have accreditation from different entities (C.A.R.F. for the existing geriatric hospital and Joint Commission for the proposed facility).

The Applicant plans to share or benefit from the following services with the existing geriatric psychiatric facility: Food preparation and dietary services, transportation services, software services including the electronic health record (there is a large savings to simply add another license compared to new implementation), and therapy services.

**6. Section B, Need, Item 1.a. (Psychiatric Inpatient Services-Service Specific Criteria-)**

Please complete the following table to determine psychiatric bed need (1).

	Population 2020	Gross Need Pop. X (30 beds/100,000)	Current licensed beds	Net Need
	Adults 18-64	Adults 18-64	Adults 18-64	Adults 18-64
Proposed Primary Service Area	157,903	47	0	47
Proposed Secondary Service Area	51,589	15	22	-7
Total	209,492	62	22	40

**RESPONSE:** The noted table as requested is completed above. The 2020 need in the primary service area is 47 adult inpatient psychiatric beds. Please note the figures in the chart for the secondary service area do not include the population counts for the adjacent Kentucky counties. As noted in the Application and these supplemental responses, the Applicant expects admissions of residents residing over the line in Kentucky will be more than a minimal amount.

**7. Section B, Need, Item 2.b and 2.d. Additional Factors. (Psychiatric Inpatient Services-Service Specific Criteria-)**

Please address how the indigent population will be served by the proposed project.

Please indicate if Wellness Solutions and the Mental Health Cooperative offer intensive outpatient treatment or partial hospitalization services in the proposed service area.

What services does the Mental Health Cooperative and Centerstone Mental Health Center provide in the proposed service area?

Does the applicant plan to obtain support letters from Centerstone Mental Health Center?

**RESPONSE:**

- The hospital will participate in Medicare, TennCare/Medicaid and Tricare, and will be accepting involuntary admissions. Therefore, it will be serving a significant number of individuals within an indigent population. Often individuals who have mental health issues,

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particularly if those conditions are not properly treated, will be significantly impacted economically because their ability to maintain employment is impacted by the direct and secondary effects of their mental health disease. Individuals with mental health diseases can also be subject to workplace discrimination because of the symptoms of their conditions. Based on research by Harvard University Medical School, untreated mental illness costs the U.S. a minimum of \$105 billion in lost productivity each year. (For a general discussion of workplace issues, see <https://www.psychologytoday.com/blog/wired-success/201209/the-silent-tsunami-mental-health-in-the-workplace>). Additionally, as noted in its Application, the proposed hospital has projected a charity care amount that it expects will include some individuals who are unable to pay for services.

- The Applicant has verified, with Wellness Solutions and the Mental Health Cooperative (MHC), they do not offer intensive outpatient treatment or partial hospitalization services in the proposed service area. However, as demonstrated by their letters of support, they would consider development of those services in conjunction with the Applicant should the proposed hospital be developed.
- In the proposed service area, MHC provides the following services: outpatient therapy, psychiatric evaluation, medication management, and care coordination. In the proposed service area, Centerstone provides the following services:
  - Addictions Care for Teens & Adults
  - Counseling for Adults
  - Counseling for Children & Teens
  - Child & Teen Community (Home & School) Mental Health Care
  - Adult Community (Home & Beyond) Mental Health Care
  - Foster Care
  - Crisis Services (Outpatient, Telephone, Walk-in & Mobile)
  - Prevention – Child & Adult
  - Psychiatric Medical Services (Outpatient, Child & Adult)
  - Employment Coaching
  - Pharmacy
  - Grant
  - Employer – EAP UM

In addition, Applicant's affiliated organization, Unity Physician Partners, provides primary care in Clarksville in coordination with Centerstone.

- Centerstone is very supportive of the Applicant's proposed adult psychiatric hospital because of the tremendous need for services in the service area. Centerstone's letter of support for the Applicant is attached as Attachment First Supplemental - Question 7.

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**8. Section B, Need, Item 3 Incidence and Prevalence (Psychiatric Inpatient Services-Service Specific Criteria-)**

The incidence and prevalence tables on pages 44 and 45 for Region 5 are noted. However, please provide a column for the statewide rate for each table and submit replacement pages 44 and 45 (labeled as 44R and 45R).

**RESPONSE:** A revised copy of the incidence and prevalence tables submitted, with the addition of a column for the statewide rate for each table completed chart as requested is included as Attachment First Supplemental - Question 8, and pages are labeled as A44R / A45R. The revised table corrects labeling error in the originally submitted table because two of the behavioral health indicators were omitted and show as duplicates of other indicators which are listed in the chart.

**9. Section B, Need, Item 4. Planning Horizon. (Psychiatric Inpatient Services-Service Specific Criteria-) Page 45**

Please adjust the planning horizon to the years 2020 and 2021 which is the first two full years of operation.

The applicant notes there are no existing inpatient beds in the service area. Please clarify if the applicant intended to state "primary" service area since there is an inpatient adult unit in Henry County.

**RESPONSE:** The revised response on State Health Plan Question 4 on page A45 should read as follows:

*As noted in question #1, the projected gross need for adult inpatient psychiatric beds for the primary/secondary service area for 2020 is 47/15 beds and for 2021 48/15 beds. There are no existing adult inpatient psychiatric beds in the primary service area, so the net need of 47 and then 48 beds for the primary service area is not reduced by any existing bed capacity. The secondary service area does contain 22 beds at Henry County Medical Center. When those beds are calculated into need, the net bed need is minus seven beds. However, as noted in the application on pages A57-58, Henry County Medical Center (HCMC)'s county of origin data supports that its patient population and service area is not co-existent with the Applicant's proposed service area. Seventy-four (74%) of HCMC's admissions come from counties West of the Applicant's proposed primary and secondary service areas. Therefore, the calculation of a net negative need does not accurately reflect the actual need for adult inpatient psychiatric beds for the Applicant's proposed primary and secondary service areas. The primary service area need, which is consistent with the requested number of beds, also does not include projected admissions from adjoining Kentucky counties. As illustrated in the current geriatric psychiatric hospitals 2017 and 2016 admissions, it is reasonable to expect a significant number of admissions from Todd and Christian counties in Kentucky, thereby further supporting the need for adult inpatient beds requested by the project.*



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**10. Section B, Need, Item 5. Establishment of a Service Area. (Psychiatric Inpatient Services-Service Specific Criteria-) Pages 45 and 46**

It is noted the proposed service area counties represents those counties of origin for the highest percentage of patients admitted to the currently operating BHC-Clarksville Geriatric psychiatric hospital. Please provide a table for 2017 by county of the admissions to the BHC-Clarksville Geriatric psychiatric hospital.

**RESPONSE:** A completed copy of the requested counties of origin admissions data for 2017 for the BHC-Clarksville Geriatric psychiatric hospital is included as Attachment First Supplemental - Question 10. Note there are significant admissions from the primary service counties, in particular Montgomery, and also substantial admissions (about 22% of total) from adjoining Kentucky counties. The evidence of Kentucky patient in-migration to Clarksville for medical care further supports the need for the Applicant's request for 48 adult inpatient psychiatric beds.

**11. Section B, Need, Item 6. Composition of Services (Psychiatric Inpatient Services-Service Specific Criteria-) Page 48**

If approved, please clarify if the applicant will seek Joint Accreditation Certification. If so, what is the timeframe to do so?

**RESPONSE:** Yes. If approved the hospital will seek certification as a behavioral health provider from the Joint Commission. According to the Joint Commission website, the initial certification process generally takes from between 6 to 12 months.

**12. Section B, Need, Item 12. Institution for Mental Disease Classification. (Psychiatric Inpatient Services-Service Specific Criteria-) Page 49**

It is noted by the applicant the hospital will be exempt from the IMD exclusion. Please provide documentation from TennCare supporting the IMD exclusion.

**RESPONSE:** Counsel for the Applicant contacted TennCare through the Director's office and the Office of General Counsel. However, TennCare determined they were not able to provide the requested documentation for a specific provider, and particularly one not yet licensed and seeking participation with TennCare. A copy of email correspondence from TennCare is included at Attachment First Supplemental - Question 12.

However, the provisions of 42 C.F.R. §438.6(e) do permit a state to make a capitation payment to an MCO or PIHP for an enrollee with a short-term stay in an Institution for Mental Disease (IMD). This is so even though under the so-called IMD Exclusion, federal funding for states to provide mental health and substance abuse treatment through IMDs for non-elderly adults would otherwise be prohibited.



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**13. Section B, Need, Item 16. Community Linkage Plan. (Psychiatric Inpatient Services-Service Specific Criteria-) Page 51**

Please provide any letters from mobile crisis teams and managed care organizations in support of the application detailing instances of unmet need for psychiatric inpatient services in the proposed service area.

Please detail how the applicant will work with Centerstone Mental Health Center to assure linkage to outpatient mental health services to discharged inpatients.

If approved, please discuss any primary prevention initiatives planned by the applicant that would address risk factors leading to the increased likelihood of inpatient psychiatric bed usage.

**RESPONSE:**

- A support letter from Centerstone Mental Health Center (Centerstone) attached under Attachment First Supplemental - Question 7. Centerstone is the mobile crisis provider in the proposed service area.
- Please also see the support letter from Dr. Oba Hollie; Dr. Hollie is the primary care physician for Unity Medical Clinic in Clarksville. Unity Medical Clinic serves as a medical home for patients in the Clarksville area. Unity Medical Clinic is partnered with Centerstone to offer a complete patient-centered-medical home that delivers exceptional coordinated care for both physical and mental health needs, and offer convenient access to Centerstone clinic locations. Centerstone and Unity Medical Clinic are a TennCare HealthLink provider.
- The Applicant has had conversations with Centerstone regarding coordination with the mobile crisis team and existing outpatient services as well as the coordinated development of IOP and PHP services. The Applicant is supportive of Centerstone and Mental Health Cooperatives' care coordination and outpatient services and diversion efforts related to mobile crisis team. In addition, Applicant's affiliated organization, Unity Physician Partners, offers integrated physical health care in collaboration with Centerstone in Clarksville, with the focus on preventing unnecessary hospitalizations. The Unity Medical Clinic in Clarksville is a TennCare HealthLink participant (See <https://www.tn.gov/tenncare/health-care-innovation/primary-care-transformation/tennessee-health-link.html>.) TennCare's Health Link is a care coordination model where a team of professionals associated with a mental health clinic or other behavioral health provider provides whole-person, patient-centered, coordinated care for an assigned panel of members with behavioral health conditions. Members who would benefit from Health Link are identified based on diagnosis, health care utilization patterns, or functional need.
- Once established, the Applicant has plans to become an active member of the medical community in the service area, as well as the community as a whole. The Applicant envisions primary prevention initiatives including mental health screenings, community education on mental health, and other outreach programs will be conducted. The Applicant also anticipates integrating discharge planning with HealthLink providers once the hospital is established.

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**14. Section B, Need, Item 18. Quality Control and Monitoring. (Psychiatric Inpatient Services-Service Specific Criteria-) Page 52**

Please provide copies of licensure surveys of psychiatric inpatient facilities the applicant owns or administers whether located in Tennessee or not.

**RESPONSE:** Unity Psychiatric Services Clarksville, LLC does not own nor administer any facilities. However, to more fully comply with the request for information, copies of licensure surveys of psychiatric inpatient facilities owned or operated as part of AHC are included as Attachment First Supplemental - Question 14. Please note the BHC Memphis has not received a state survey as yet so no document is available.

**15. Section B. Need. Item 3 Service Area, Page 16**

Please complete the following Table for the applicant facility.

**2020 Yr. 1 Projected Admissions by County**

County	Admissions	% Total
Montgomery	446	52.0%
Stewart	69	8.0%
Houston	43	5.0%
Humphreys	34	4.0%
<b>PSA Subtotal</b>	<b>591</b>	<b>69.0%</b>
Henry	9	1.0%
Dickson	39	4.5%
Kentucky	201	23.5%
All Other	17	2.0%
<b>SSA Subtotal</b>	<b>266</b>	<b>31.0%</b>
<b>TOTAL</b>	<b>857</b>	<b>100%</b>

**RESPONSE:** The noted table as requested is completed above.

**16. Section B. Need. Item D.1 Service Area Demographics**

The service area demographic table on page 18 is noted. However, please revise the table to reflect the Projected Year 2020 and submit a replacement page 18 (labeled as 18R).

**RESPONSE:** A revised copy of the revised service area demographic table on page 18 as requested is included as Attachment First Supplemental – Question 16, and is labeled as page 18R.

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**17. Section B, Need, Item E., Page 19**

Psychiatric patient origin data for area hospitals can be obtained from hospital discharge data available from the Department of Health, Division of Health Statistics. Please request patient destination MDC 19 discharge data, Age 18-64, for the most recent year available so the following two charts can be completed:

**Adult Psychiatric Patient Hospital Destination for Primary Service Area Residents**

*Hospital	# Discharges	%Total
Hospital 1	<b>NOT AVAILABLE</b>	
Hospital 2		
Etc.		

*\*List Each Hospital*

**Adult Psychiatric Patient Hospital Destination for Secondary Service Area Residents**

*Hospital	# Discharges	%Total
Hospital 1	<b>NOT AVAILABLE</b>	
Hospital 2		
Etc.		

*\*List Each Hospital*

**RESPONSE:** As discussed by email conversation on January 25, 2018, the data for this response is not readily available and the staff has agreed that we are not required to provide a response.

**18. Section B, Need, Item 6, Page 19**

Please provide the referenced attachment labeled "Attachment Section B-Need-F".

Please provide the methodology used to project utilization detailing calculation and documentation from referral sources and identification of all assumptions.

Please also complete the following chart.

**Projected Utilization Details**

Facility	Beds	Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2
		Admits	Pat. Days	ALOS	%Occ.	Admits	Pat. Days	ALOS	%Occ.
Unity Psychiatric Hospital	48	857	7,283	8.5	41.6%	1,291	10,974	8.5	62.6%

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**RESPONSE:**

- The response in the Application was incorrectly worded in that it contemplated the Projected Data Chart as an attachment rather than within the Application itself. Therefore, it was not the intention to have any attachment labeled "Attachment Section B-Need-F."
- With respect to projected utilization, the Applicant began its analysis with the bed need data and analysis as provided in the State Health Plan and need formulas. The Applicant confirmed the support for those projections with existing providers, including the local hospital and mobile crisis unit. For example, the mobile crisis unit confirmed they receive about 250 contacts per month from Montgomery County. These conversations and research confirmed for the Applicant that need projections were conservative. The Applicant then took need data and projected county of origin and payor mix projections based on comparison with data from other providers. This data was derived from Joint Annual Reports and other statistics from comparable markets. The Applicant and its affiliate have substantial experience in the psychiatric hospital space that also continued to its projections and analysis.
- The noted table as requested is completed above.

**19. Section C. Economic Feasibility Item B (Funding)**

Please provide a letter from a bank or financial institution documenting the availability of \$12,746,500 in cash to fund the proposed project.

**RESPONSE:** The requested letter documenting the availability of cash to fund the proposed project is included Attachment First Supplemental - Question 19.

**20. Section B. Economic Feasibility Item D. (Projected Data Chart)**

The Projected Data Chart is noted. However, Line D.6 Other Operating Expenses on page 24 do not match the breakout of those expenses in the table on page 25. Please revise and provide replacement pages (labeled as 24 R and 25R). In addition, please correct the table labeled Year-2018 and-2019 to 2020 and 2021 as reflected on the Projected Data Chart.

**RESPONSE:** A revised Projected Data Chart showing the noted revisions as requested in Question 20 is included as Attachment First Supplemental - Question 20, which the replacement pages are denoted as 24R and 25R.

**21. Section B, Economic Feasibility, Item F.1. , Page 26**

Please provide the latest audited balance sheet (that includes current assets and current liabilities) of the entity that will be funding the project.

**RESPONSE:** An audited balance sheet is included as Attachment First Supplemental - Question 21.

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**22. Section B, Economic Feasibility, Item F.2. , Pages 26 and 27**

The Net Operating Margin Ratio of 12% in Year One and 24% in Year Two is noted. However, please provide information of how this ratio was calculated.

**RESPONSE:** The Application instructions at Question F.2 directed the Applicant to calculate Net Operating Margin by using the figures provided in the Projected Data Chart and using the formula for the ratio as (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue). Using that formula the ratio is correctly calculated in the Application. This NOI is consistent with the ratio reported in other recent adult psychiatric applications.

**23. Section B, Economic Feasibility, Item H., Staffing, page 28**

The staffing table on page 28 is noted. However, it appears the total non-patient care positions total 25.84 rather than 24.84. Please correct and submit a replacement page 28 (labeled as 28R).

**RESPONSE:** A revised staffing table showing the noted revisions as requested in Question 23 is included as Attachment First Supplemental - Question 23, which the replacement page is denoted as 28R. The non-patient care staffing total, and subsequent totals have also been corrected.

**24. Section B, Orderly Development, Item D, Page 31**

Your response to this item is noted. Please provide the most recent audited financial statements with accompanying notes for the parent company that will be funding the proposed project.

**RESPONSE:** Please see the responses to Supplemental Questions 19 and 24.

**25. Section B, Quality Measures**

**Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:**

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

- (a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;
- (b) Whether the applicant will obtain and maintain all applicable state licenses in good standing;
- (c) Whether the applicant will obtain and maintain TennCare and Medicare

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certification(s), if participation in such programs was indicated in the application;

(d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

(e) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

(f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:

(p) For Inpatient Psychiatric projects:

1. Whether the applicant has demonstrated appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems and children who need quiet space; proper sleeping and bathing arrangements for all patients), adequate staffing (i.e., that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times), and how the proposed staffing plan will lead to quality care of the patient population served by the project;
2. Whether the applicant has documented its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; and
3. Whether an applicant that owns or administers other psychiatric facilities has provided information on satisfactory surveys and quality improvement programs at those facilities.

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**RESPONSE:** The Applicant so verifies. However, the Applicant notes that as a proposed facility, it would not qualify as "an existing healthcare institution applying for a CON."

## **26. Proof of Publication**

Please submit a copy of the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

**RESPONSE:** A copy of the publication affidavit is included as Attachment First Supplemental - Question 26.

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Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 1:  
Listing of Related Health Care Institutions



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1. Applingwood Healthcare Center, Inc.  
1536 Appling Care Ln  
Cordova, TN 38016-4927
2. Bethesda Health Care Center, Inc.  
444 One Eleven Place  
Cookeville, TN 38506-4358
3. Bright Glade Health and Rehabilitation Center, Inc.  
5070 Sanderlin Ave  
Memphis, TN 38117-4332
4. Clarksville Nursing and Rehabilitation Center, Inc.  
900 Professional Park Drive  
Clarksville, TN 37041
5. Covington Care Nursing and Rehabilitation Center, Inc.  
765 Bert Johnson Ave  
Covington, TN 38019-2414
6. Crestview Health Care and Rehabilitation, Inc.  
704 DuPree Ave  
Brownsville, TN 38012-6254
7. Cumberland Health Care and Rehabilitation, Inc.  
4343 Ashland City Hwy  
Nashville, TN 37218-2401
8. Decatur County Health Care and Rehabilitation, Inc.  
726 Kentucky Ave S  
Parsons, TN 38363-3105
9. Dyersburg Nursing and Rehabilitation, Inc.  
1900 Parr Ave  
Dyersburg, TN 38024-2009
10. Forest Cove Nursing and Rehab Center, Inc.  
45 Forest Cove  
Jackson, TN 38301-4366
11. Harbor View Nursing and Rehabilitation Center, Inc.  
1513 North Second Street  
Memphis, TN 38107
12. Humboldt Healthcare and Rehab Center, Inc.  
2031 Avondale Rd  
Humboldt, TN 38343-1810
13. Lewis County Nursing and Rehabilitation Center, Inc.  
119 Kittrell St  
Hohenwald, TN 38462-1364
14. Lexington Health Care and Rehabilitation, Inc.  
727 E Church St  
Lexington, TN 38351-1924
15. McKenzie Healthcare and Rehabilitation Center, Inc.  
175 Hospital Dr  
McKenzie, TN 38201-1636
16. McNairy County Health Care Center, Inc.  
835 E Poplar Ave  
Selmer, TN 38375-1832
17. Meadowbrook Health and Rehabilitation Center, Inc.  
1245 E College St  
Pulaski, TN 38478-4541
18. Millennium Nursing and Rehab Center, Inc.  
5275 Millennium Dr.  
Huntsville, AL 35806
19. Mt. Juliet Health Care Center, Inc.  
2650 N Mount Juliet Rd  
Mt. Juliet, TN 37122-8015
20. Northbrooke Healthcare and Rehab Center, Inc.  
121 Physicians Dr  
Jackson, TN 38305-6011
21. Northside Health Care Nursing and Rehabilitation Center, Inc.  
202 E MTCS Rd  
Murfreesboro, TN 37129-1524
22. Paris Health Care Nursing and Rehabilitation Center, Inc.  
800 Volunteer Dr  
Paris, TN 38242-1408

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23. Savannah Health Care and Rehabilitation Center, Inc.  
1645 Florence Rd  
Savannah, TN 38372-5210

24. Union City Nursing and Rehabilitation Center, Inc.  
1630 E Reelfoot Ave  
Union City, TN 38261-6021

25. VanAyer Healthcare and Rehab Center, Inc.  
460 Hannings Ln  
Martin, TN 38237-3308

26. Vanco Health Care and Rehabilitation, Inc.  
813 S Dickerson Rd  
Goodlettsville, TN 37072-1761

27. Waverly Health Care and Rehabilitation Center, Inc.  
895 Powers Blvd  
Waverly, TN 37185-1018

28. Westwood Health Care and Rehabilitation Center, Inc.  
524 W Main St  
Decaturville, TN 38329-8035

29. West Tennessee Transitional Care, Inc.  
597 West Forest Avenue  
Jackson, TN 38301

## Behavioral Healthcare Center at Columbia, Inc.  
1400 Rosewood Drive  
Columbia, TN 38401

31. Behavioral Healthcare Center at Clarksville, Inc.  
930 Professional Park Drive  
Clarksville, TN 37041

## Behavioral Healthcare Center at Huntsville, Inc.  
5315 Millennium Drive  
Huntsville, AL 35806

33. Behavioral Healthcare Center at Martin, LLC  
458 Hannings Lane  
Martin, TN 38237

## Behavioral Healthcare Center at Memphis, Inc.  
1505 North Second Street  
Memphis, TN 38107

35. AmPharm, Inc.  
1971 Tennessee Avenue North  
Parsons, TN 38363

36. AmMed Inc  
135 Jordan Lane  
Parsons, TN 38363

37. Tennessee Quality Homecare  
1971 Tennessee Avenue North  
Parsons, TN 38363

38. Tennessee Valley Home Care, Inc. d/b/a  
Tennessee Quality Homecare - Southwest  
580 Tennessee Avenue  
Parsons, TN 38363

39. Tri-County Home Health and Hospice, Inc.  
d/b/a Tennessee Quality Hospice  
29 North Star Drive, Suite G  
Jackson, TN 38305

40. Rehab America, Inc.  
59 Central Lane  
Parsons, TN 38363

41. TruHealth, Inc.  
512 Autumn Springs Court, Suite B  
Franklin, TN 37067

\* All listed companies have active licensure/certification  
\* All listed entities are 100% owned by AHC

**January 29, 2018**

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CN1801-005

Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Attachment First Supplemental - Question 2:  
Resume of Dr. Karen Berry, Medical Director

**January 29, 2018**

**3:41 PM**

## **Karen Berry MD**

American Health Companies  
 Medical Director of Psychiatric Services  
 1505 N Second Street Memphis, TN 38107  
 (901)791-0600  
 kberry@thmgt.com

---

### **Professional Positions**

- June 2017 to present - Medical Director of Psychiatric Services
  - Development of psychiatric programming, management, training, and supervision of psychiatric nurse practitioners, practice of geriatric psychiatry
- 1988 to 2017 - Medical staff Baptist Memorial Hospital, Memphis, TN
  - Consult- liaison of medically ill patients including post-operative delirium, acute encephalopathy, dementia, heart transplant, alcohol withdrawal, drug overdose, and multiple co-morbidities.
- 1988 to 2017 - Office practice of psychiatry, Memphis, TN
  - General psychiatry including mood disorders and geropsychiatric
- 1988 to 2006 – Inpatient psychiatry
  - Baptist Memorial Hospital, St. Francis Hospital, and Lakeside Behavioral Health System

### **Certification:**

- Board certified 1990 – American Board of Psychiatry and Neurology

### **Licensure:**

- Tennessee since 1984 MD17087
- New Mexico MD 2014-0155
- Washington MD60568381

### **Experience:**

Consult-liaison with medically ill patients in general hospital including treatment of encephalopathy, organic brain syndromes, polypharmacy, dementia.

Inpatient psychiatry including treatment of psychosis and mood disorders in adult and geriatric patients.

Outpatient psychiatry including treatment of wide variety of diagnoses such as mood, anxiety, ADHD, PTSD.

Telemedicine through Netmedical Express, Albuquerque, New Mexico.

Coverage of inpatient psychiatry Unit at Lea Regional Hospital, Hobbs, New Mexico.

Experienced user of EPIC and Practice Fusion electronic medical record systems.

**January 29, 2018**

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## **Education**

### **Undergraduate**

1973 – 1978 - Memphis State University - Bachelor of Science, Magna Cum Laude, Memphis, TN  
Outstanding student award in Chemistry

### **Medical School**

1980 -1984 - University of Tennessee College of Medicine, Medical Doctor, Memphis, TN

### **Postgraduate**

1984 – 1988 - Residency in Psychiatry, University of Tennessee, Memphis, TN

**January 29, 2018**

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Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

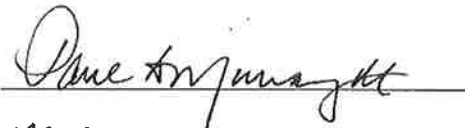
Attachment First Supplemental - Question 3:  
Option to Lease Agreement  
Executed Signature Page

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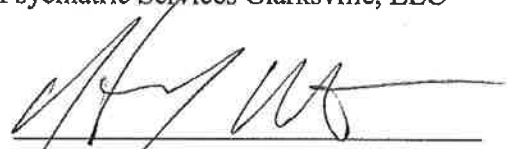
OPTIONOR:

Clarksville Behavioral Facility, Inc.

By:   
Title: VP FINANCE

OPTIONEE:

Unity Psychiatric Services Clarksville, LLC

By:   
Title: VP Corporate Development

**January 29, 2018**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 4:  
Revised Floor Plan Drawing



# Supplemental #1

January 29, 2018

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## Expansion Study

### First Floor Plan

0' 10' 0"

ALL ROOMS WILL BE SEMI-PRIVATE ROOMS



JJCA

Johnson Johnson  
Callender Architects LLC

1000 Hawkins Drive  
Clarksville, TN 37043  
Tel: 615.607.8888  
Fax: 615.607.2803

AHC - Clarksville  
Clarksville, Tennessee

PROJECT NUMBER  
17724.00  
DATE  
January 10, 2018

MP3  
First Floor Plan  
Expansion Study



## Expansion Study Second Floor Plan

0' 10' 0" 0' 10' 0"

ALL ROOMS WILL BE SEMI-PRIVATE ROOMS



JJCA

Johanna Johnson  
Creative Architects

4551 Townside Drive  
Nashville, TN 37204

tel 615.371.0954  
fax 615.371.0957

AHC - Clarksville  
Clarksville, Tennessee

PROJECT NUMBER  
17724.00  
DATE  
January 10, 2018

MP4  
Second Floor Plan  
Expansion Study

**January 29, 2018**

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Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Attachment First Supplemental - Question 7:  
Support Letter from Centerstone Mental Health

January 29, 2018

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## CENTERSTONE

January 25, 2018

Ms. Melanie Hill  
Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building  
500 Deaderick Street, Suite 850  
Nashville, TN 37243

Dear Ms. Hill,

I am writing in support of the certificate of need (CON) application submitted by American Health Companies, Inc. for the establishment of an inpatient behavioral health hospital in Clarksville, TN. It is my understanding that the proposed inpatient hospital will focused on the adult patient population.

This hospital will help meet the needs of patients that currently do not have access to such services. As the State of Tennessee's designated prescreening authority for mobile crisis response services (Montgomery and its surrounding counties), we experience firsthand the difficulties associated with finding available inpatient beds – especially during acute psychiatric emergencies. Unfortunately, such patients are frequently boarded in emergency rooms while awaiting disposition and transfer to an appropriate facility. Simply said, the targeted service area would greatly benefit from additional inpatient resources.

Please consider this application and feel free to contact me at [bob.vero@centerstone.org](mailto:bob.vero@centerstone.org) if you have any further questions.

Sincerely,

Robert N. Vero, Ed.D  
Centerstone Tennessee, CEO

*Excellence in Mental Healthcare*

**January 29, 2018**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 8:  
Revised Incidence and Prevalence Tables

January 29, 2018 A44 of 77

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h. The applicant shall detail how the treatment program and staffing patterns align with the treatment needs of the patients in accordance with the expected length of stay of the patient population.

**RESPONSE:** The Applicant's staffing plan (which is outlined in detail as Section B), will align with core staffing patterns that are recommended and/or required by the requirements of Joint Commission standards and the regulations of the Centers for Medicare and Medicaid Services (CMS). Because the Facility is not in existence, data demonstrating how the staffing patterns correspond to actual patient acuity is not available. Upon opening, the Applicant will monitor and evaluate staffing and ratios and FTEs will be promptly adjusted based on the patient acuity of admitted patients. This oversight will ensure effective patient treatment, as well as patient and staff safety. In addition to the regular full-time nursing staff, it is the Applicant's intention to develop a robust pool of PRN staff to meet any crisis situation.

i. Special consideration shall be given to an inpatient provider that has been specially contracted by the TDMHSAS to provide services to uninsured patients in a region that would have previously been served by a state operated mental health hospital that has closed.

**RESPONSE:** This criteria is not applicable to the Applicant.

j. Special consideration shall be given to a service area that does not have a crisis stabilization unit available as an alternative to inpatient psychiatric care.

**RESPONSE:** The Applicant will meet this criteria. There is no crisis stabilization unit available in the proposed primary nor secondary service area. The closest crisis stabilization unit is located 45.2 miles away from the proposed facility location. The Mental Health Cooperative operates a walk-in crisis stabilization unit at 275 Cumberland Bend, Nashville, TN 37228. There are mobile crisis services available within the service area.

**3. Incidence and Prevalence:** The applicant shall provide information on the rate of incidence and prevalence of mental illness and substance use within the proposed service area in comparison to the statewide rate. Data from the TDMHSAS or the Substance Abuse and Mental Health Services Administration (SAMHSA) shall be utilized to determine the rate. This comparison may be used by the HSDA staff in review of the application as verification of need in the proposed service area.

**Rationale:** *The rate of incidence and prevalence of mental illness in the service area may indicate a need for a higher number of psychiatric inpatient beds in the designated area.*

**RESPONSE:** There is no data source, beyond the established need formula, that the Applicant has available to use to project need for inpatient psychiatric beds in any more detailed fashion. The Applicant consulted with Tennessee Department of Mental Health and Substance Abuse (TDMHSAS) planning staff who confirmed that no such source is available.

Statistics available from TDMHSAS for the Region 5, which includes all of the proposed service areas counties indicates the following incidence and prevalence trends:

Any Mental Illness in the Past Year		Region 5 Count	Region 5 Percent	Tennessee Percent
18+	(2012-2014)	235,075	20.6%	20.3%
18-25	(2012-2014)	32,791	20.9%	19.4%
26+	(2012-2014)	202,249	20.6%	20.4%



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Dependence or Abuse of Illicit Drugs or Alcohol in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	84,841	7.5%	7.4%
18-25 (2012-2014)	26,174	16.7%	15.5%
26+ (2012-2014)	58,236	5.9%	6.0%

Had at Least One Major Depressive Episode in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	79,854	7.0%	6.9%
18-25 (2012-2014)	13,834	8.8%	8.5%
26+ (2012-2014)	65,929	6.7%	6.6%

Had Serious Thoughts of Suicide in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	50,022	4.4%	4.1%
18-25 (2012-2014)	12,741	8.1%	7.4%
26+ (2012-2014)	37,112	3.8%	3.5%

Needing but Not Receiving Treatment for Alcohol Use in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	64,610	5.7%	5.6%
18-25 (2012-2014)	18,925	12.1%	11.7%
26+ (2012-2014)	45,369	4.6%	4.6%

Needing but Not Receiving Treatment for Alcohol Use in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	22,961	2.0%	2.1%
18-25 (2012-2014)	9,758	6.2%	6.2%
26+ (2012-2014)	13,006	1.3%	1.4%

Serious Mental Illness in the Past Year	Region 5 Count	Region 5 Percent	Tennessee Percent
18+ (2012-2014)	48,838	4.3%	4.5%
18-25 (2012-2014)	6,914	4.4%	4.4%
26+ (2012-2014)	41,900	4.3%	4.5%

Source: Behavioral Health Prevalence Dashboard (at <https://www.tn.gov/behavioral-health/research/data--research--and-planning/country-and-regional-behavioral-health-prevalence-dashboard.html>)

**4. Planning Horizon:** The applicant shall predict the need for psychiatric inpatient beds for the proposed first two years of operation.

**Rationale:** The Division believes that projecting need two years into the future is more likely to accurately reflect the coming trends and less likely to overstate potential future need.

**RESPONSE:** As noted in question #1, the projected need for adult inpatient psychiatric beds is 48 beds (primary) and 63 beds (primary and secondary) within the first two years of opening of the project. There are no existing adult inpatient psychiatric beds in the service area.

**5. Establishment of Service Area:** The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant. The socio-demographics of the service area and the projected population to receive services shall be considered. The proposal's sensitivity and responsiveness to the special needs of the service area shall be considered, including accessibility to consumers, particularly women, racial and ethnic minorities, low income groups, other medically underserved populations, and those who need services involuntarily. The applicant may

**January 29, 2018**

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**CN1801-005**

**Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses**

**Attachment First Supplemental - Question 10:  
BHC Clarksville County of Origin Data Table**



BHC-Clarksville

2017 Admissions Data - County of Origin (All Services/Programs)

January 29, 2018

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2017			
Tennessee County of Residence	# of Adm / Disch	% of Adm / Disch (TN Only)	% of Adm / Disch (ALL States)
Montgomery	103	47.03%	36.79%
Robertson	33	15.07%	11.79%
Stewart	20	9.13%	7.14%
Houston	13	5.94%	4.64%
Dickson	13	5.94%	4.64%
Sumner	10	4.57%	3.57%
Humphreys	8	3.65%	2.86%
Cheatham	7	3.20%	2.50%
Davidson	4	1.83%	1.43%
Wilson	4	1.83%	1.43%
Decatur	1	0.46%	0.36%
Gibson	1	0.46%	0.36%
Rutherford	1	0.46%	0.36%
Benton	1	0.46%	0.36%
KY - Christian	26	n/a	9.29%
KY - Todd	9	n/a	3.21%
KY - Trigg	6	n/a	2.14%
KY - Logan	5	n/a	1.79%
KY - McCracken	4	n/a	1.43%
KY - Marshall	3	n/a	1.07%
KY - Hopkins	2	n/a	0.71%
KY - Lyon	2	n/a	0.71%
KY - Ballard	1	n/a	0.36%
KY - Muhlenberg	1	n/a	0.36%
KY - Caldwell	1	n/a	0.36%
KY - Graves	1	n/a	0.36%
<b>TN TOTALS</b>	<b>219</b>	n/a	<b>78%</b>
<b>KY TOTALS</b>	<b>61</b>	n/a	<b>22%</b>
<b>GRAND TOTAL</b>	<b>280</b>		

**January 29, 2017**

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Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Attachment First Supplemental - Question 12:  
Email Correspondence re: IMD Exclusion and  
TennCare

**January 29, 2018**

**3:41 PM**

**From:** [Drew Staniewski](#)  
**To:** [Puri, Christopher](#)  
**Subject:** IMD Exclusion Follow Up  
**Date:** Monday, January 29, 2018 10:44:39 AM  
**Attachments:** [image003.png](#)

---

**[External Email]**

Chris –

Thank you again for reaching out to us late last week regarding the subject of IMD exclusions. I wanted to make sure we got back to you promptly regarding your question. Specifically, you asked whether your proposed adult psychiatric facility would be exempt from the IMD exclusion currently in federal regulations. TennCare does not have any specific authority to make this determination. Further, TennCare cannot otherwise provide an answer as this question involves a legal interpretation of a federal regulation. As a result, any determination by TennCare would represent legal advice, which we are prohibited from providing to any individual provider. This would be particularly true in cases where the facility is not yet established.

Thanks again and please let me know if you have any additional questions on this matter.

Best,



Division of  
**TennCare**

**Drew Staniewski** | General Counsel

Division of TennCare

Office of the General Counsel

310 Great Circle Rd., Nashville, TN 37243

p. 615-507-6608

c. 615-218-1117

[drew.staniewski@tn.gov](mailto:drew.staniewski@tn.gov)

[tn.gov/tenncare](http://tn.gov/tenncare)

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Confidentiality Notice: This e-mail is from a law firm and may be protected by the attorney-client or work product privileges. If you have received this message in error, please notify the sender by replying to this e-mail and then delete it from your computer.

**January 29, 2018**

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Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 14:  
Related Facility Licensure Surveys

**January 29, 2018**

**3:41 PM**



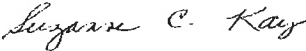
STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Middle Tennessee Regional Office of Licensure

500 Deaderick Street Andrew Jackson Tower, 5th Floor  
Nashville, TENNESSEE 37243

BILL HASLAM  
GOVERNOR

MARIE WILLIAMS  
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT			
<b>LICENSEE:</b> Behavioral Healthcare Center at Columbia, Inc. 1400 Rosewood Drive Columbia, TN 38401	<b>Licensee ID:</b> 1247	<b>FACILITY:</b> Behavioral Healthcare Center at Columbia 1400 Rosewood Drive Columbia, TN 38401	<b>Site ID:</b> 2787
<b>DATE OF NOTICE / REPORT:</b> 12/18/17			
<b>COMPLIANCE EVENT &amp; DATE:</b> Annual Inspection 9/28/17		Site ID:2787 Event ID:13,246	
 Suzanne C. Kay, Middle Tennessee Licensure			
No Deficiencies Found			
EVENT SUMMARY			
09450-5-02 Licensure Administration and Procedures			0 deficiencies
09450-5-04-.02 Life Safety: HealthCare Occupancies			0 deficiencies
09450-5-04-.09 Life Safety: Mobile Non-ambulatory			0 deficiencies
09450-5-05-.02 Adequacy of Facility Environment and Ancillary Services (ALL FACILITIES)			0 deficiencies
09450-5-05-.03 Adequacy of Facility Environment & Ancillary Services (RESIDENTIAL)			0 deficiencies
09450-5-05-.05 Adequacy of Facility Environment & Ancillary Services (FOOD SERVICE)			0 deficiencies
09450-5-06 Program Requirements for All Services and Facilities (DEEMED)			0 deficiencies
09450-5-16 Mental Health Hospital Facilities (DEEMED)			0 deficiencies

January 29, 2018

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STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES  
West Tennessee Regional Office of Licensure

951 Court Avenue  
Memphis, TENNESSEE 38103

BILL HASLAM  
GOVERNOR

MARIE WILLIAMS  
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT

<b>LICENSEE:</b> Behavioral Healthcare Center at Martin, LLC 458 Hannings Lane Martin, TN 38327	<b>Licensee ID:</b> 1278	<b>FACILITY:</b> Behavioral Healthcare Center at Martin 458 Hannings Lane Martin, TN 38237	<b>Site ID:</b> 2858
<b>DATE OF NOTICE / REPORT:</b> 03/14/17			
<b>COMPLIANCE EVENT &amp; DATE:</b> Annual Inspection 2/3/17		Site ID:2858 Event ID:10,681	

Erica Dupree, West Tennessee Licensure

No Deficiencies Found

EVENT SUMMARY

09450-5-02 Licensure Administration and Procedures	0 deficiencies
09450-5-04-.02 Life Safety: HealthCare Occupancies	0 deficiencies
09450-5-04-.09 Life Safety: Mobile Non-ambulatory	0 deficiencies
09450-5-05-.02 Adequacy of Facility Environment and Ancillary Services (ALL FACILITIES)	0 deficiencies
09450-5-05-.03 Adequacy of Facility Environment & Ancillary Services (RESIDENTIAL)	0 deficiencies
09450-5-05-.06 Adequacy of Facility Environment & Ancillary Services (TRANSPORTATION)	0 deficiencies
09450-5-06 Program Requirements for All Services and Facilities (DEEMED)	0 deficiencies
09450-5-16 Mental Health Hospital Facilities (DEEMED)	0 deficiencies

January 29, 2018

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STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Middle Tennessee Regional Office of Licensure

500 Deaderick Street Andrew Jackson Tower, 5th Floor  
NASHVILLE, TENNESSEE 37243

BILL HASLAM  
GOVERNOR

MARIE WILLIAMS  
COMMISSIONER

LICENSURE NOTICE OF NON-COMPLIANCE

TO: Behavioral Healthcare Center at Clarksville, Inc.  
930 Professional Park Drive  
Clarksville, TN 37040-5136

DATE OF NOTICE:  
March 07, 2017  
Page 1 of 2

FACILITY IN NON-COMPLIANCE:  
Behavioral Healthcare Center at Clarksville  
930 Professional Park Drive  
Clarksville, TN 37040-5136

Plan of Compliance due by: 3/21/17

Site ID: 2518

EVENT & DATE RESULTING  
IN THIS NOTICE:  
Annual Inspection  
February 13, 2017

**NOTICE TO LICENSEE:** The facility above has been found to be non-compliant with the rule(s) listed herein. You must provide a plan for complying with each rule cited. Your plan of compliance may be specified in the space provided below or by separate document. If a separate document, your plan should reference each rule by item or rule number, must include the date by which you will be compliant, and an authorizing signature. Your plan must be received by the TDMHSAS regional office listed above by the date indicated herein.

PLEASE RETAIN A COPY OF YOUR PLAN OF COMPLIANCE UPON SUBMISSION  
IT WILL NOT BE RETURNED TO YOU BY THIS OFFICE

Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a \$50 re-inspection fee.

**YOUR PLAN OF COMPLIANCE MUST BE RETURNED NO LATER THAN: March 21, 2017**

Item	Rule Number	Rule Description & Findings	event ID:11,109
------	-------------	-----------------------------	-----------------

0940-5-5 Adequacy of Facility Environment and Ancillary Services

0940-5-5-.03 ENVIRONMENTAL REQUIREMENTS FOR RESIDENTIAL FACILITIES.

The governing body must ensure that each client is provided with the following:

0940-5-5-.03(1)(f) Space in a dresser or chest of drawers which is adequate for the storage of the client's clothing;

1

Patient rooms did not have a chest of drawers or dresser.

Licensee's Planned Date of Completion:  /  /

2,575

Licensee's Plan of Compliance (use a separate page if more space is needed):

*Applied for waiver, currently under review.*

*[Signature]*  
3-14-17



NOTICE TO: Behavioral Healthcare Center at Clarksville, Inc.

January 29, 2018

3:41 PM

Date: 03/07/2017 Page 2 of 2

Please contact me if you have questions.

*Suzanne C. Kay*

Suzanne C. Kay  
Middle Tennessee Surveyor

*[Signature]*  
SIGNATURE OF LICENSEE OR AUTHORIZED AGENT

*March 14, 17*  
DATE OF SIGNATURE

**NOTICE TO LICENSEE:** Please note that the finding of deficiencies herein may subject you to Department issued civil penalties, pursuant to Tenn. Code Ann. § 33-2-409. Civil penalties are issued based off of the severity of the violation(s) or the repeat offense of such violation(s). A department representative will contact you, pursuant to Tenn. Code Ann. § 33-2-411, if you are subject to such a sanction.





January 29, 2018  
3:41 PM

STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Middle Tennessee Regional Office of Licensure

500 Deaderick Street Andrew Jackson Tower, 5th Floor  
Nashville, TENNESSEE 37243

BILL HASLAM  
GOVERNOR

MARIE WILLIAMS  
COMMISSIONER

COMPLIANCE EVENT STATUS REPORT

<b>LICENSEE:</b> Behavioral Healthcare Center at Clarksville, Inc. 930 Professional Park Drive Clarksville, TN 37040-5136	<b>Licensee ID:</b> 1150	<b>FACILITY:</b> Behavioral Healthcare Center at Clarksville 930 Professional Park Drive Clarksville, TN 37040-5136	<b>Site ID:</b> 2518
--	--------------------------	--	----------------------

**NOTICE TO LICENSEE:** A review has been completed of your recently submitted plan of compliance. The approval status given your plan is indicated below. Read the approval status given below carefully. This approval status form and your plan of compliance should become part of your records.

**DATE OF NOTICE / REPORT:** 03/30/17

**DATE OF ASSOCIATED NOTICE OF NON-COMPLIANCE:** 3/7/17

**COMPLIANCE EVENT & DATE:** Annual Inspection 2/13/17

Site ID: 2518 Event ID: 11,109

I. REVIEW OF PLAN OF NON-COMPLIANCE COMPLETED BY:

*Suzanne C. Kay*

Suzanne C. Kay, Middle Tennessee Licensure

II. APPROVAL STATUS OF PLAN OF NON-COMPLIANCE:

**POC Approved**

Your plan of compliance has been accepted. You are expected to meet the terms of your plan. Re-inspection may be conducted to verify compliance. With re-inspection, you will incur a \$50 re-inspection fee.

EVENT SUMMARY

09450-5-02 Licensure Administration and Procedures	0 deficiencies
09450-5-04-.02 Life Safety: HealthCare Occupancies	0 deficiencies
09450-5-04-.09 Life Safety: Mobile Non-ambulatory	0 deficiencies
09450-5-05-.02 Adequacy of Facility Environment and Ancillary Services (ALL FACILITIES)	0 deficiencies
09450-5-05-.03 Adequacy of Facility Environment & Ancillary Services (RESIDENTIAL)	1 deficiency
09450-5-05-.05 Adequacy of Facility Environment & Ancillary Services (FOOD SERVICE)	0 deficiencies
09450-5-05-.06 Adequacy of Facility Environment & Ancillary Services (TRANSPORTATION)	0 deficiencies
09450-5-06 Program Requirements for All Services and Facilities (DEEMED)	0 deficiencies
09450-5-16 Mental Health Hospital Facilities (DEEMED)	0 deficiencies



Tennessee Health Management, Inc.

January 29, 2018

3:41 PM

Jennifer Robinson &lt;admbhclr@thmgt.com&gt;

**your Notice of Non-Compliance**

12 messages

Suzanne C. Kay &lt;Suzanne.C.Kay@tn.gov&gt;

Tue, Mar 7, 2017 at 2:57 PM

To: "admbhclr@thmgt.com" &lt;admbhclr@thmgt.com&gt;

Good afternoon Jennifer,

I hope this email finds you well. If you'll remember from my visit there for your annual inspection, there was some confusion about whether or not your facility would be held to the standard of needing a chest of drawers or dresser in each room. I spoke with my manager and she agreed that the rule does apply to you so I'm attaching your Notice of Non-Compliance for that deficiency. If you would like to, you can request a waiver so that, if it's approved, you won't have to get that furniture for each room.

*- We are inpatient;  
Not residential*

To request a waiver, you can send a letter or email referencing Rule 0940-5-5-.03(f) Space in a dresser or chest of drawers which is adequate for the storage of the client's clothing. Your request should contain rationale for why the waiver committee would feel comfortable allowing the waiver such as citing the short length of stay of the clients, the fact that you do have plenty of hanging storage, and a drawer above the hanging storage and a drawer in the bedside table.

If you do request a waiver, that will also be your response on the Notice, that a waiver is being applied for.

I hope this all makes sense to you but please feel free to call or email if you have questions.

Have a wonderful afternoon,

Suzanne



Suzanne C. Kay

Mental Health Licensure Surveyor

Office of Licensure, Division of Administration and Regulatory Services

Tennessee Department of Mental Health and Substance Abuse Services

500 Deadrick Street

5<sup>th</sup> Floor Andrew Jackson Building

Nashville, TN 37243

Telephone: 615-741-3520

**January 29, 2018**

**3:41 PM**



March 13, 2017

Suzanne C. Kay  
 Suzanne.C.Kay@tn.gov  
 Department of Mental Health and Substance Abuse Services  
 Middle Tennessee Regional Office of Licensure  
 500 Deaderick Street  
 Andrew Jackson Tower, 5<sup>th</sup> Floor  
 Nashville, TN 37243

Re: Behavioral Health Care Center at Clarksville (Site ID: 2518)  
 Notice of Non-Compliance: Rule 0940-5-5-.03 (1) (f)  
 Environmental Requirements for Residential Facilities (adequate storage space  
 for patient clothing)

Mrs. Kay:

I am writing this letter to request a waiver be granted in regard to findings during our most recent annual survey. We were found non-compliant with Rule 0940-5-5-.03 (1) (f) Space in a dresser or chest of drawers which is adequate for the storage of client's clothing. In our hospital each client is provided his/her own personal chifferobe and a bedside table. The chifferobe in particular contains a five (5) ft. tall, two (2) ft. wide space for hanging personal clothes as well as a shelf at the bottom on which additional clothing items may be stored. Each chifferobe also includes a separate compartment above the main storage area in which socks, undergarments, briefs or folded clothing may be stored.

Although we do not have a separate chest of drawers or a dresser in our patient's rooms, the current storage space provided has more than enough space for our patients clothing to either hang or remain folded. Clothes hanging in the chifferobe such as pants, drape nicely on the inside of a hanger while a matching top is either hung over the top of the pants or next to them. This provides ease to the patient while choosing their preferred clothing for the day as the items remain at eye level and are neatly organized.

Due to the age of our patients and the nature of their individual psychiatric needs, we have found having an abundance of clothing available can be overwhelming, problematic and sometimes a potential hazard for patients. Individuals with OCD experience increased anxiety levels as well as those having Schizophrenia due to the constant urge or need to account for their personal items at all times. Additionally, patients having dementia often rummage through their chifferobe at night pulling items off of hangers and emptying all compartments above and below on to the floor creating a trip hazard. Demented patients have also wandered into other patient rooms at times and could easily do the same causing a potential hazard for them as well.

Over the past seven years we have not received any type of complaint or voiced concerns from a patient, responsible party, family member or our staff regarding adequate storage space for

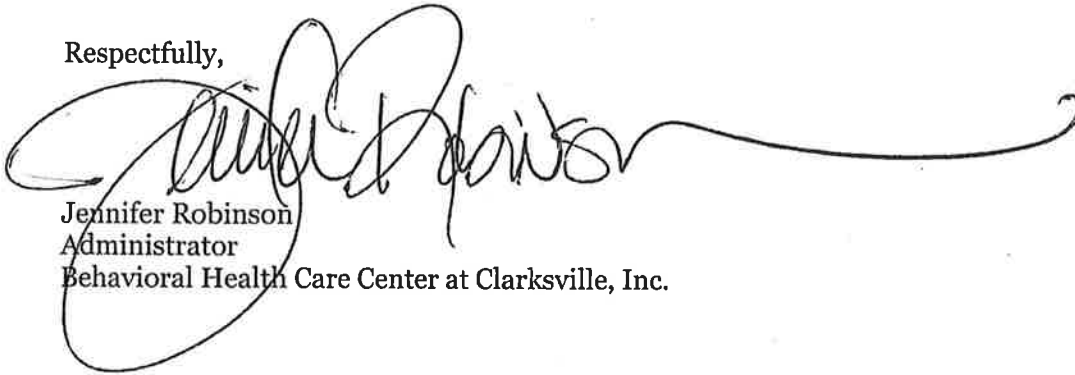
**January 29, 2018**

**3:41 PM**

patient's personal clothing. Upon admission we also ask the patient and responsible party to provide only a three day supply of clothing as the hospital provides laundry services for each patient daily.

I appreciate you sharing this request with the waiver committee and truly hope they find our current available storage to be adequate for an average 18 day acute care stay in our hospital.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read 'Jennifer Robinson', with a long horizontal flourish extending to the right.

Jennifer Robinson  
Administrator  
Behavioral Health Care Center at Clarksville, Inc.



January 29, 2017

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STATE OF TENNESSEE  
DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES



**LICENSE**

THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES GRANTS THIS FULL LICENSE IN ACCORDANCE WITH TENNESSEE CODE ANNOTATED TITLE 33, CHAPTER 2, PART 4 TO:

**BEHAVIORAL HEALTHCARE CENTER AT CLARKSVILLE, INC.**

(Name of Licensee)

TO OPERATE A FACILITY OR SERVICE IDENTIFIED AND LOCATED AS FOLLOWS FOR THE PROVISION OF MENTAL HEALTH, PERSONAL SUPPORT, OR ALCOHOL AND DRUG ABUSE SERVICES:

**Behavioral Healthcare Center at Clarksville**

(Name of Facility or Service as Known to the Public)

**930 Professional Park Drive, Clarksville, TN 37040-5136**

(Street Address or Location, City or Town)

THE LICENSEE HAS DEMONSTRATED COMPLIANCE WITH T.C.A. TITLE 33, CHAPTER 2, PART 4 AND WITH RULES OF THE DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

THIS LICENSE AUTHORIZES LIFE SAFETY OCCUPANCY CLASSIFICATIONS AND THE FOLLOWING DISTINCT CATEGORY OF FACILITY OR SERVICES TO BE PROVIDED.

License Category	Accessible to mobile, non-ambulatory individuals	Approved for persons w		Capacity
		hearing loss	vision loss	
Mental Health Hospital	Y	n/a	n/a	26

Waiver(s): 0940-5-5.03(1)(f)

April 01, 2017

Effective Date

March 31, 2018

Date License Expires

L000000019915

License Number

Commissioner of Mental Health and Substance Abuse Services

THIS LICENSE IS NON-TRANSFERABLE AND NON-ASSIGNABLE.  
POST THIS LICENSE IN A CONSPICUOUS PLACE.

19915

Site ID: 2518

**January 29, 2017**

**3:41 PM**



**FedEx: 8113 0489 9504**

**IMPORTANT NOTICE – PLEASE READ CAREFULLY**

(Receipt of this notice is presumed to be 7/7/2017 – date noticed faxed/mailed.)

July 7, 2017

Ms. Paula Chennault, Administrator  
Behavioral Healthcare Center at Columbia  
1400 Rosewood Drive  
Columbia, TN 38401

**RE: Recertification Survey**

Dear Ms. Chennault:

Enclosed are the Statement of Deficiencies developed as the result of the recertification survey completed at your facility on **June 20, 2017**, by the West Tennessee Regional Office of Health Care Facilities. The acute hospital health survey was deficiency free; however the life safety portion resulted in deficiencies being cited. Based upon CFR 488.28, you are asked to submit an acceptable plan of correction to this office **ten (10) days from date of this letter, (July 17, 2017)**. The completion date for each deficiency should **not be later than 45 days from the last day of the survey, (August 5, 2017)**. **The Plan of Correction must be mailed back to this office with an original signature and date by the administrator.**

**During your survey one (1) standard level deficiencies were cited: K131.**

Your plan of correction must contain the following indicators:

- How the deficiency will be corrected;
- The date the deficiency will be corrected;
- What measures or systemic changes will be put in place to ensure that the deficient practice does not recur;

**January 29, 2018**

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- How the corrective action will be monitored to ensure that the deficient practice does not recur.
- Only titles may be used; no proper names

As both the statements of deficiencies and plans of correction are subject to public disclosure, statements such as will comply by, will complete by, and already corrected will not be considered acceptable.

The Plan of Correction must be submitted on the CMS2567 form enclosed, dated and signed by the Administrator before it is considered "acceptable". Whenever possible, please contain your plan of correction responses to the form furnished to you. In the event you need additional space, please continue your response on your letterhead or plain stationery, typing in the name of your facility, address and other identifying information.

If you have any questions concerning the statement of deficiencies, survey process, or completion of forms, please do not hesitate to let us know. You may feel free to call this office at (731) 984-9684.

**Please be sure to sign and date your Plan of Correction before you send it back to this office.**

Sincerely,

*Kathy Zeigler*

Kathy Zeigler, RN  
Public Health Nurse Consultant 2

  
KZ/tw

**January 29, 2018**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 16:  
Revised Service Area Demographic Table



- D. 1). a) Describe the demographics of the population to be served by the proposal.
- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Demographic Variable/ Geographic Area (County)	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population- Current Year (2018)	Total Population- Projected Year (2020)	Total Population-% Change	*Target Population- Current Year (2018)	*Target Population- Project Year (2020)	*Target Population-% Change	Target Population Projected Year as %	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollment, November 2017	TennCare Enrollees as % of Total Population
Montgomery	211,602	221,620	4.5%	129,229	133,741	3.4%	60.3%	30.3	\$51,528	27,297	12.9%	37,175	17.6%
Stewart	14,210	14,402	1.3%	8,273	8,261	0.1%	57.4%	43.4	\$41,835	2,330	16.4%	3,120	22.0%
Humphreys	19,090	19,185	0.5%	10,930	10,835	0.9%	56.5%	41.7	\$40,995	3,532	18.5%	4,483	23.5%
Houston	9,014	9,157	1.6%	5,054	5,076	0.4%	55.4%	43.2	\$40,680	1,604	17.8%	2,000	22.2%
Dickson	54,959	56,210	2.2%	32,883	33,270	1.2%	59.2%	40.0	\$47,137	78,738	15.9%	11,110	20.2%
Henry	33,771	31,055	8.7%	18,486	18,319	0.9%	59.0%	45.1	\$38,378	6,552	19.4%	7,890	23.4%
Primary Service Area Total	253,916	264,364	4.0%	153,486	157,913	2.8%	59.7%	39.7	\$43,759	8,691	16%	46,778	18.4%
Service Area Total	342,646	351,629	2.6%	204,855	209,502	2.2%	59.6%	40.6	\$43,425	20,009	17%	65,778	19.2%
State of TN Total	6,960,524	7,037,025	1.1%	4,191,227	4,211,494	0.5%	59.8%	38.4	\$46,574	1,099,763	15.8%	1,461,291	21.0%

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:** The primary service area is characterized by a population with a substantial incidence of mental health issues (see responses to State Health Plan #3). Approximately 20% of the population reports an instance of mental illness in the past year, and 4-8% report a major depressive episode (depending on the age bracket). There also is a substantial percentage of individuals who report thoughts of suicide and substance abuse. Montgomery County in particular has greater than normal needs for mental health services

HF-0004 Revised 12/2016 – All forms prior to this time are obsolete. RDA 1651

**January 29, 2018**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 19:  
Documentation of Cash Reserves from Bank

**January 29, 2018**

3:41 PM



January 26, 2018

Mr. Jeff Bogle  
Chief Financial Officer  
American Health Companies, Inc.  
201 Jordan Road, Suite 200  
Franklin, TN 37067

Dear Mr. Bogle:

Please allow this letter to serve as verification that American Health Companies, Inc. currently has in excess of \$12,700,000 on deposit with FirstBank.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Douglas A. Remke'.

Douglas A. Remke  
Senior Vice President

**January 29, 2018**

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CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 20:  
Revised Projected Data Chart

January 29, 2018

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## PROJECTED DATA CHART

Give information for the two (2) years following the completion of this project. The fiscal year begins in December [For Project Only]

	Year - 2020	Year - 2021
<b>A. Utilization Data (=patient days)</b>	<b>7,283</b>	<b>10,974</b>
<b>B. Revenue from Services to Patients</b>		
1. Inpatient Services	\$13,654,800	\$20,575,800
2. Outpatient Services	\$ -	\$ -
3. Emergency Services	\$ -	\$ -
4. Other Operating Revenue (Specify - _____)	\$ -	\$ -
<b>Gross Operating Revenue</b>	<b>\$13,654,800</b>	<b>\$20,575,800</b>
<b>C. Deductions from Gross Operating Revenue</b>		
1. Contractual Adjustments	7,212,296	10,867,883
2. Provisions for Charity Care	273,096	411,516
3. Provisions for Bad Debt	273,096	411,516
<b>Total Deductions</b>	<b>\$ 7,758,488</b>	<b>\$11,690,915</b>
<b>NET OPERATING REVENUE</b>	<b>\$ 5,896,312</b>	<b>\$ 8,884,885</b>
<b>D. Operating Expenses</b>		
1. Salaries and Wages		
a. Direct Patient Care	\$ 2,216,140	\$ 2,770,175
b. Non-Direct Patient Care	1,029,280	1,217,740
2. Physician's Salaries and Wages	\$ 250,000	\$ 250,000
3. Supplies	378,693	581,609
4. Rent		
a. Paid to Affiliates	\$ 200,000	\$ 200,000
b. Paid to Non-Affiliates		
5. Management Fees		
a. Paid to Affiliates	412,742	621,942
b. Paid to Non-Affiliates		
6. Other Operating Expenses	693,324	1,116,274
<b>Total Operating Expenses</b>	<b>\$ 5,180,179</b>	<b>\$ 6,757,740</b>
<b>E. Earnings Before Interest, Taxes, and Depreciation</b>	<b>\$ 716,133</b>	<b>\$ 2,127,145</b>
<b>F. Non-Operating Expenses</b>		
1. Taxes	\$113,614	\$666,366
2. Depreciation	\$563,636	\$563,636
3. Interest, Other than Capital		
4. Other Non-Operating Expenses		
<b>Total Non-Operating Expenses</b>	<b>\$ 677,251</b>	<b>\$ 1,230,003</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 38,882</b>	<b>\$ 897,142</b>

## PROJECTED DATA CHART

### G. Other Deductions

1. Estimated Annual Principal Debt Repayment	\$ -	\$ -
2. Annual Capital Expenditure	\$ -	\$ -
<b>Total Other Deductions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET BALANCE</b>	<b>\$ 38,882</b>	<b>\$ 897,142</b>
<b>DEPRECIATION</b>	<b>\$563,636</b>	<b>\$563,636</b>
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$ 602,518</b>	<b>\$ 1,460,779</b>

### PROJECTED DATA CHART - OTHER EXPENSES

OTHER EXPENSES CATEGORIES		Year - 2020	Year - 2021
1.	Professional Services	61,779	85,302
2.	Therapy Services	37,641	93,145
3.	Transport Services	24,761	55,887
4.	Contract Services	218,523	444,176
5.	Repairs & Maint.	39,608	53,926
6.	Utilities	218,400	195,135
7.	Insurance	78,113	97,568
8.	Other	14,500	91,135
<b>Total Other Expenses</b>		<b>\$ 693,324</b>	<b>\$ 1,116,274</b>

**January 29, 2018**

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CN1801-005

Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Attachment First Supplemental - Question 21:  
Audited Balance Sheet

**January 29, 2018**

**3:41 PM**



January 29, 2018

To Whom It May Concern:

The attached Independent Auditors' Report and Consolidated Balance Sheets page represent excerpts from the Consolidated Audit Report of American Health Companies, Inc. for the years ended December 31, 2016 and 2015.

If you have any questions, please contact me at 615-751-8134 or [jbogle@upptn.com](mailto:jbogle@upptn.com).

Sincerely,

A handwritten signature in black ink, appearing to read "JBogle", is written over a horizontal line.

Jeff Bogle  
Chief Financial Officer

Attachments (2)



January 29, 2018

3:41 PM



### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
American Health Companies, Inc.:

We have audited the accompanying consolidated financial statements of American Health Companies, Inc. and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheet as of December 31, 2016, and the related consolidated statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of American Group Surety, Ltd., a wholly owned subsidiary, which statements reflect total assets constituting 13% of consolidated total assets at December 31, 2016. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for American Group Surety, Ltd., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, based on our audit and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Health Companies, Inc. and its subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**January 29, 2017**

**3:41 PM**

*Prior Period Financial Statements*

The consolidated financial statements of the Company as of and for the year ended December 31, 2015 were audited by other auditors whose report dated May 27, 2016, expressed an unmodified opinion on those statements.

*LBMC, PC*

Brentwood, Tennessee

May 30, 2017

January 29, 2018

3:41 PM

## AMERICAN HEALTH COMPANIES, INC.

## Consolidated Balance Sheets

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 54,340,660	\$ 55,949,275
Accounts receivable, net of allowance for doubtful account of \$6,276,076 and \$8,832,289 in 2016 and 2015, respectively	26,700,334	27,558,679
Pharmacy and supplies inventories	1,307,083	2,034,398
Prepaid expenses and other assets	1,828,647	2,832,499
Restricted cash	<u>3,132,480</u>	<u>13,171,121</u>
<b>Total current assets</b>	<b>87,309,204</b>	<b>101,545,972</b>
Property and equipment, net	101,846,506	105,458,174
Property and equipment held for sale, net	-	1,500,000
Goodwill, net	10,964,812	12,783,065
Restricted cash, less current portion	6,416,901	7,307,664
Restricted marketable securities	22,258,985	9,173,980
Deferred income taxes	1,411,061	1,557,979
Other assets	<u>838,598</u>	<u>1,038,264</u>
	<b>\$ <u>231,046,067</u></b>	<b>\$ <u>240,365,098</u></b>
<b><u>Liabilities and Shareholders' Equity</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 9,385,559	\$ 10,840,065
Accrued expenses and liabilities	16,609,446	19,048,327
Accrued risk reserves	13,629,077	14,024,787
Current maturities of long-term debt	<u>4,866,072</u>	<u>3,956,048</u>
<b>Total current liabilities</b>	<b>44,490,154</b>	<b>47,869,227</b>
Long-term debt, net less current maturities	<u>114,709,251</u>	<u>112,074,359</u>
<b>Total liabilities</b>	<b><u>159,199,405</u></b>	<b><u>159,943,586</u></b>
<b>Shareholders' equity:</b>		
Common stock, no par value; 750,000,000 shares authorized; 63,458,377 shares issued and outstanding in 2016 and 2015	4,624,585	4,624,585
Additional paid-in capital	1,831,012	1,831,012
Retained earnings	74,598,755	73,926,725
Accumulated other comprehensive income, net of tax	153,724	39,190
Treasury stock - 4,680,707 shares at cost in 2016; zero shares in 2015	<u>(9,361,414)</u>	<u>-</u>
<b>Total shareholders' equity</b>	<b><u>71,846,662</u></b>	<b><u>80,421,512</u></b>
	<b>\$ <u>231,046,067</u></b>	<b>\$ <u>240,365,098</u></b>

See accompanying notes to the consolidated financial statements.

**January 29, 2018**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Attachment First Supplemental - Question 23:  
Revised Staffing Table

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/ Statewide Average Wage
<b>a) Direct Patient Care Positions</b>				
Director of Nursing/CNO	n/a	1.00	\$ 125,000	
Nurse Manager	n/a	1.00	\$ 75,920	\$65,590
Nurse Supervisor	n/a	2.50	\$ 69,680	\$57,590
Nurse (RN & LPN)	n/a	23.17	\$ 51,703	\$57,590
Mental Health Technician	n/a	10.92	\$ 29,078	\$24,110
Activity Therapist	n/a	2.43	\$ 37,440	\$41,300
Social Worker	n/a	4.85	\$ 48,360	\$34,320
<b>Total Direct Patient Care Positions</b>	n/a	45.87		
<b>b) Non-Patient Care Positions</b>				
Administrator/CEO	n/a	1.00	\$ 140,000	\$ 140,140
Pharmacy	n/a	3.64	\$ 104,000	\$ 121,540
Dietary	n/a	7.28	\$ 27,560	\$ 22,050
Business Office Mgr.	n/a	1.00	\$ 39,416	\$ 36,320
Facility Management	n/a	1.00	\$ 48,880	\$ 36,460
Security	n/a	3.64	\$ 29,307	\$ 24,270
Environmental Services	n/a	7.28	\$ 22,058	\$ 21,680
Marketing	n/a	1.00	\$ 85,000	\$ 82,400
<b>Total Non-Patient Care Positions</b>	n/a	25.84		
<b>Total Employees (A+B)</b>	n/a	71.71		
<b>c) Contractual Staff</b>	n/a			
Medical Director	n/a	1.00	\$ 250,000	\$150-\$300,0000
<b>Total Staff (a+b+c)</b>	n/a	72.71		

**January 29, 2017**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC  
First Supplemental Question Responses

Attachment First Supplemental - Question 26:  
Revised Publication Affidavit from Newspaper

**January 29, 2018**

**3:41 PM**

## AFFIDAVIT OF PUBLICATION

0002651323

Newspaper The Tennessean

State of Tennessee

Account Number NAS-534576

Advertiser BRADLEY ARANT BOULT CUMMINGS A

BRADLEY ARANT BOULT CUMMINGS A  
1600 DIVISION ST STE 700  
NASHVILLE, TN  
37203

**TEAR SHEET  
ATTACHED**

Jackie Cooper Sales Assistant for the above mentioned newspaper,  
hereby certify that the attached advertisement appeared in said newspaper on the following dates:

01/10/18

Jackie Cooper

Subscribed and sworn to before me this 10 day of January 2018

Angela Murray  
Notary Public



Affidavits Requested:

1

0002651323NOTIFICATIONOFINTENTTOAPPLYFORACE  
Re: 9/20 meeting





**January 29, 2017**

**3:41 PM**

CN1801-005

Unity Psychiatric Services Clarksville, LLC

First Supplemental Question Responses

Supplemental Affidavit

JAN 29 18 PM 3:41

**January 29, 2018**

**3:41 PM**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF Williamson

NAME OF FACILITY: Unity Psychiatric Services Clarksville, LLC

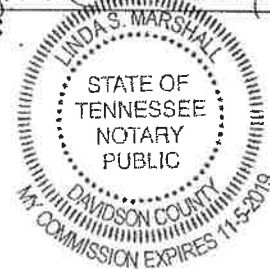
I, Jeff Bosle, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

[Signature]  
Signature/Title  
CFO

Sworn to and subscribed before me, a Notary Public, this the 29<sup>th</sup> day of January, 2018, witness my hand at office in the County of Williamson, State of Tennessee.

Linda S. Marshall  
NOTARY PUBLIC

My commission expires November 5, 2019.



HF-0043

Revised 7/02

**(Additional Information)**

Unity Psychiatric Services Clarksville, LLC

**(Original)**

**CN1801-005**

JAN 30 10 48 AM '18

**Christopher C. Puri**

Counsel  
cpuri@bradley.com  
615.252.4643 direct  
615.252.4706 fax



January 30, 2018

Mr. Phillip M. Earhart  
HSDA Examiner  
Tennessee Health Services and Development Agency  
Andrew Jackson State Office Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

Re: Certificate of Need Application 1801-005  
Unity Psychiatric Services Clarksville, LLC  
Second Supplemental Response

Dear Phil:

By telephone and email today, you requested two additional supplemental responses – the calculation of the Capitalization Ratio for the project and a clearer copy of the newspaper publication. This letter will serve as the Applicant's response to those two requests.

**Capitalization Ratio**

*3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100).*

*For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.*

**RESPONSE:** In its First Supplemental Responses, the Applicant has provided a balance sheet. Using the figures in that balance sheet, and the formula noted above, the Capitalization Ratio is calculated as follows:

Long Term Debt	\$ 114,709,251.00
Total Equity	\$ 71,846,662.00
Long Term Debt + Total Equity	\$ 186,555,913.00
RATIO: (Long-term debt/(Long-term debt + Total Equity (Net assets)) x 100)	61.48

**Newspaper Notice Copy**

**RESPONSE:** A clearer copy of the newspaper notice is attached.

This response has been reviewed by the Applicant, and an appropriate affidavit is attached.

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP



By:

Christopher Puri

CCP/ced  
Enclosure

**CLASSIFIEDS**

Adopt Me  
Domestic Pets  
Domestic Pets  
Wanted to Buy  
Rooms For Rent  
Cars

**Public Notices**

0002651323

**NOTIFICATION OF INTENT  
TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that:

Unity Psychiatric Services Clarksville, LLC (a proposed mental health hospital), to be owned by American Health Companies, Inc. (a Tennessee corporation), and to be managed by Tennessee Health Management, Inc. (a Tennessee corporation), intends to file an application for Certificate of Need to establish a mental health hospital for adult patients, to be located at the southwest corner of the intersection of Chesapeake Lane and Professional Park Drive, adjacent to the existing building which houses Behavioral Healthcare Center at Clarksville at 930 Professional Park Drive, Clarksville, TN 37040 in Montgomery County. The project will be located on a portion of a 3.15 acre parcel identified as Parcel ID 040G A 002.00 000 in the property records of Montgomery County. The estimated project cost is \$12,746,500.00.

The project will seek licensure by the Tennessee Department of Mental Health and Substance Abuse Services as a 48-bed mental health hospital. The project does not initiate or discontinue any other health service and it will not affect any other facility's licensed bed complements.

The anticipated date of filing the application is: January 12, 2018. The contact person for this project is Christopher Puri who may be reached at Bradley Arant Boult Cummings LLP, 1600 Division Street, STE 700, Nashville, 37203 Phone: 615-252-4643; Email: cpuri@bradley.com.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

**Health Services and Development Agency  
Andrew Jackson Building, 9th Floor  
502 Deaderick Street  
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.


**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Unity Psychiatric Services Clarksville, LLC

I, Christopher C. Puri, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

  
\_\_\_\_\_  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30th day of January, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires September 7, 2021.

HF-0043

Revised 7/02

**(Additional Information)**

Unity Psychiatric Services Clarksville, LLC

**(Original)**

**CN1801-005**



2021 JAN 31 10 44 AM

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Unity Psychiatric Services Clarksville, LLC

I, Christopher C. Puri, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Christopher C. Puri  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30th day of January, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

My commission expires September 7



HF-0043

Revised 7/02